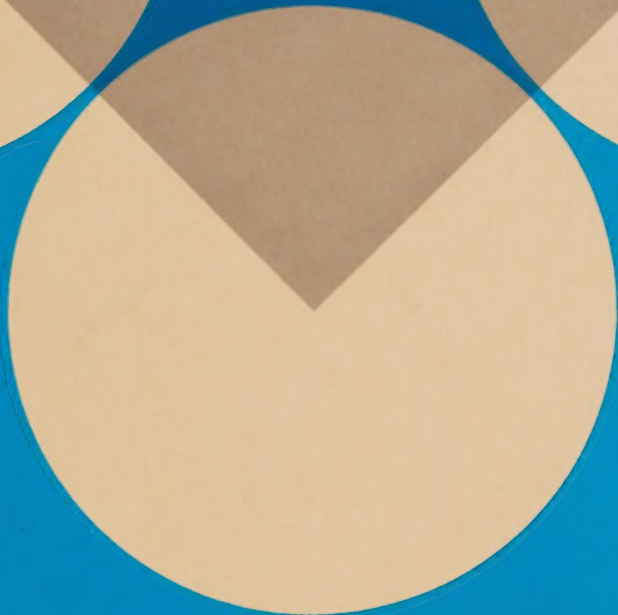
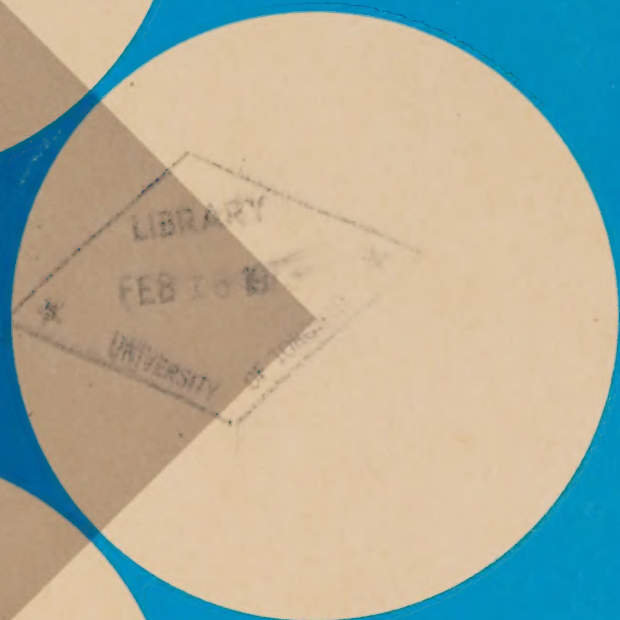
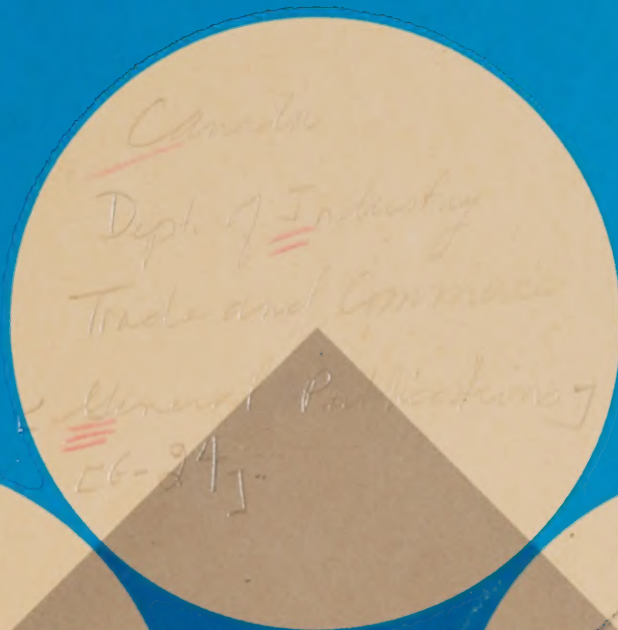



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Foreign-owned Subsidiaries in Canada 1964-1969

A report on operations and
financing by the larger subsidiary
companies





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Foreign-owned Subsidiaries in Canada

Government
Publications

A report on operations
and financing by the larger
subsidiary companies
for the period 1964 to 1969

Published by the Department of
Industry, Trade and Commerce
Ottawa, Canada

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TABLE OF CONTENTS

Page

Introduction	5
Summary	7
Section:	
1. Income, Expenses, Earnings and Dividends	10
2. Current International Transactions	18
3. Financing	32
4. Transactions of the Reporting Corporations by Country of Control	42
List of Tables and of Statistical Appendices	50

APPENDICES

General:

I. Survey Coverage and Technical Notes	51
II. Copies of Letters and Questionnaires Used	53

Statistical:

Appendices III to VIII	61
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INTRODUCTION

This is the third report on certain aspects of the operations and financing of foreign-owned subsidiaries in Canada. The initial report was published in June 1967 and covered the years 1964 and 1965, and the second, which covered the years 1964 to 1967, was released in April 1970. The present report covers the 1964 to 1969 period.

The information contained in the report is derived from the annual and quarterly surveys of the larger foreign-owned subsidiaries in Canada. These surveys were initiated in 1966 to provide, on a periodic basis, factual information suitable for assessing the performance of these subsidiaries in relation to the objectives set out by the Government in "Some Guiding Principles of Good Corporate Behaviour", and which would contribute at the same time to a better understanding of the role of foreign-owned companies in the Canadian economy.

The survey covers non-financial companies incorporated in Canada with assets exceeding \$5 million and whose voting stock is more than 50 per cent held by a non-resident corporation. The number of respondents participating in the surveys varied between 322 and 334 during the 1964 to 1969 period but the number of individual companies represented in the returns, many of which consolidate the operations of a number of affiliated firms, remained fairly constant at around 970. The companies covered by the survey reported total sales of \$15.2 billion in 1964 and of \$24 ¹/₂ billion in 1969. This volume of business represents about one-quarter of the sales of all non-financial, non-government corporations in Canada. In the important mining and manufacturing fields, the activities of the reporting subsidiaries accounted for about two-fifths of the total business done by these two industries. In terms of business carried on by all non-financial corporations in Canada more than 50 per cent foreign-owned, the reporting companies accounted for about three-fifths of the total for all industries and for about seven-tenths of the total for the mining and manufacturing industries.

The operational data presented in this report consist primarily of revenue derived from the sale of goods and services and of expenditures on goods and services, categorized in each case between domestic and foreign transactions. These data provide a quantitative basis for the examination of sales performance in both domestic and export markets and of the degree of the respondents' reliance on foreign as opposed to domestic sourcing for the procurement of goods and services. In addition, the data indicate the extent of reliance of the reporting corporations on parents and affiliates as a market and as a source of supply.

Information is also provided by industry groups which permits industry by industry comparisons both in terms of

nature of transactions and changes occurring over time. In this respect, it should be noted that the pattern of sales and purchases varies greatly from company to company, depending upon the purpose for which the subsidiary was established. Some companies, particularly in the resource field, were established mainly to supply foreign markets while many in secondary manufacturing were set up primarily to serve the domestic market. There are similar variations in sources of supply, depending upon differing requirements. Industry comparisons of marketing or purchasing performances should take full account of such structural differences. In fact, changes over time may be a more valid measure of performance in the case of individual industries than comparison with other industry groups.

The financial information collected in the survey pertains mainly to sources of funds divided between internal generation within the company and those obtained externally, with the latter again divided between Canadian and foreign sources, and to earnings and their disposition. These data permit examination of shifts between foreign and domestic sources of financing, the proportions of net profit paid out as dividends, and other relationships which facilitate assessment of the role of international companies in Canada's development.

The changes in the number of respondents taking part in the survey does affect the comparability of the data over the period to some extent. The data for the years 1964, 1965 and 1966 pertain to the same 322 respondents and are fully comparable over this period. The data for 1967, 1968 and 1969 have been made as comparable as possible despite the decline in the respondents from 334 to 331 that took place between 1967 and 1969. As mentioned earlier, the total number of individual companies covered by the surveys remained at about 970 in all years in the 1964 to 1969 period, and it is felt that the data for all years are sufficiently consistent and comparable to permit trends to be discerned and overall conclusions drawn.

A more complete description of the coverage and technical features of the survey including the industry classification used in the report are given in Appendix I and copies of the questionnaire forms and the "Guiding Principles of Good Corporate Behaviour" are reproduced in Appendix II.

This report has been made possible through the excellent voluntary co-operation of the larger foreign-owned subsidiary companies in Canada.

J.F. Grandy
Deputy Minister
Department of Industry
Trade and Commerce

SUMMARY

This report covers the operations and financing of the larger foreign-owned subsidiary companies in Canada during the 1964 to 1969 period. This summary outlines significant trends in domestic and foreign purchases and sales, profitability and financing during this period. More detailed analysis and statistics are contained in the ensuing sections of the report.

The data reported by the companies confirm the important role of foreign-owned subsidiaries in the Canadian economy. While measures of the relative importance of such companies within the total economy are to be regarded only as approximations, they nevertheless suggest that in the important manufacturing and mining fields, the respondents accounted for almost two-fifths of Canadian production and for about the same proportion of both total Canadian merchandise exports and imports. If allowance is made for the smaller subsidiaries not covered by the survey, the proportions would be greater still. As a direct result of their international affiliations, these companies play a relatively even more important role in Canada's balance of international payments. The interest and dividends paid abroad by the respondents amounted to about one-third of the total for Canada. The reporting companies brought in substantial amounts of investment capital in four of the five years in the period for which information is available, the net inflows ranging from \$80 million in 1969 to \$560 million in 1965; in the other year, 1968, the respondents reported a net outflow of \$168 million. These statistics and others that follow illustrate the very important bearing that foreign-owned subsidiaries have on economic trends in Canada in general and on Canada's international payments' position in particular.

During the period reviewed, the responding companies showed sharp increases in sales and purchases, both domestically and abroad; total sales increased by about 12 per cent in both 1965 and 1966 and by between eight and nine per cent in the three following years; and merchandise purchases rose each year in the period with the major increases being in 1965 and 1966 also. While both the sales and purchases of merchandise were largely made in the Canadian market, i.e. about four-fifths of the totals in the case of sales and around two-thirds for purchases, a trend towards increased participation in international trade was apparent. Between 1964 and 1969 the exports of these companies rose by 125 per cent and the value of their merchandise imports increased by 134 per cent. As a result, exports of the reporting corporations accounted for some 25½ per cent of their sales in 1969 compared with just over 18 per cent five years earlier, and 38½ per cent of their purchases were made abroad in 1969 compared with about 28 per cent in 1964.

Over the period there was very little variation in the funds obtained in total from internal and external sources.

These amounted to just over \$2 billion in each year except 1968 when about \$1½ billion was obtained. However, marked variations occurred in the sources of these funds. Funds from internal generation through retained earnings and depreciation allowances grew each year and reduced the requirements for external financing. In fact, in 1968 such internal funds were sufficient, on a net basis, to meet all requirements and there was a net outflow from the companies. In terms of percentage of total requirements, internal generation accounted for 62 per cent in 1965, 64 per cent in 1966, 68 per cent in 1967 and 82 per cent in 1969. A marked change also occurred over the period in the sourcing of external funds. In both 1965 and 1966 the major source of external funds was the United States and principally from affiliated companies in that country. This source accounted for more than 70 per cent of total external requirements in 1965 and for more than 60 per cent in 1966. In 1967, there was a sharp decline in inflows from the United States and a sharp increase in sourcing in Canada with the latter accounting for two-thirds of all external financing in that year. In 1968, while there was a net outflow of funds from the companies, this was comprised of a more than \$200 million outflow to the United States partly offset by modest inflows from other foreign sources and from Canada. Again in 1969 the major source of external funds was Canada although a moderate amount of financing did come from the United States. These developments should be considered in the light of the relative softness in business investment in the most recent years which limited the overall requirements for funds, particularly those of a long-term nature, and the related easy availability of short-term funds in Canada through the banking system.

While operating within a generally favourable economic environment over the period 1964 to 1969, foreign-owned companies appear to have expanded more rapidly than did the economy as a whole and particularly so in regard to international trade.

Much of the sharp increase in the exports and imports of reporting companies stemmed from the implementation of the Canada-United States automotive agreement in 1965. This resulted in substantially increased two-way trade between Canada and the United States in automotive products. The operations of the major motor vehicle manufacturers in Canada are included in this report and represent the largest part of the totals shown for the transportation equipment industry. Exports of companies in the transportation equipment industry rose from \$375 million in 1964 to \$3,138 million in 1969. Imports by these companies amounted to \$715 million in 1964 and to \$3,232 million in 1969. These increases are largely attributable to the motor vehicle companies and result from the automotive agreement. If the transportation equipment

companies are excluded, exports of all the other reporting companies increased about in line with total Canadian exports (excluding automotive products). For these same companies exports as a proportion of total sales declined over the period as did imports as a proportion of total purchases. It should be noted that some industry groups appear to have increased their emphasis on international trade, notably the machinery and electrical products industry, while others including the mining and primary metals, chemicals, and food and beverage groups both exported and imported relatively less.

The merchandise exports of the reporting corporations exceeded their imports of goods in each year in the 1964 to 1969 period. The favourable balance achieved on international trade in merchandise ranged between \$355 million and \$600 million in each year with the exception of 1965 when the surplus was only \$20 million.

The income of the companies covered by the survey came almost wholly from sales and the small amounts derived from other sources originated mainly in Canada. The major current expenses of the respondents, other than the purchase of merchandise, was the outlay for salaries and wages and this was incurred almost entirely in Canada. In total, purchases of merchandise and salary and wage payments accounted for more than four-fifths of all current expenses. The other current expenses were also incurred largely in Canada, with only about one-tenth of such payments going to non-residents. Payments abroad for such purposes as royalties, management fees and research and development were relatively small in all years and their proportions of total expenses changed little over the period reviewed. Interest payments rose from \$50 million in 1964 to \$91 million in 1969 and their share of total non-merchandise expenses also increased, reflecting the general rise in interest rates that took place during the 1964 to 1969 period.

The other major type of payment reported by the surveyed corporations was dividends and, as all the respondent companies are more than 50 per cent foreign-owned, the bulk of such payments went to non-residents. In total, dividend payments amounted to between \$376 million and \$459 million during the period, the high point being 1966 and the low 1967. The decline in dividends after 1966 was due partly to the slower growth in profits after the drop experienced in 1967, and partly to the propensity of the reporting corporations to retain a larger proportion of the profits in the business. In regard to the latter, the proportion of net profits retained increased from about 50 per cent in the first three years of the period to 58 per cent in 1967, 62 per cent in 1968 and 64 per cent in 1969. Of the total dividends declared, about 90 per cent were credited to non-residents in 1964, 1965 and 1966 but this proportion declined to some four-fifths in subsequent years. It should be noted that there is a great diversity in dividend policies among individual companies. During the

period under review, some companies paid no dividends at all, some paid dividends in some years but not in others, and those paying dividends devoted varying proportions of net profits to this purpose, with a few disbursing dividends in excess of the current year's profits.

In all years in the period, the foreign non-merchandise payments of the reporting corporations greatly exceeded such receipts from abroad, with the deficits on this trade, after allowing for the withholding tax, ranging from around \$500 million to \$600 million. These deficits exceeded the surpluses earned on international merchandise trade and resulted in overall deficits on international current transactions of the order of \$100 million to \$150 million in 1964, 1967, 1968 and 1969, of the order of \$200 million in 1966 and of about \$500 million in 1965.

The respondents also provided information on the extent and sourcing of their financing. Such financing comes partly from internal sources through retained earnings and depreciation allowances, and partly from external sources through borrowings and the sale of equity. The performance of the respondents should be viewed in the light of the general economic environment during the 1964 to 1969 period and of special factors affecting their operations. In general, the period from 1964 to 1969 was one of economic expansion for Canada. However, the rate of expansion varied through the period. Particularly rapid growth occurred in the 1964 to 1966 period. The average annual rate of increases was in excess of 10 per cent of gross national product, more than 13 per cent for exports, 15 per cent for imports, 10 per cent for manufacturers' shipments and more than 20 per cent for business investment. In 1967, the rate of growth declined sharply with a seven per cent growth rate in gross national expenditure, a four per cent increase in manufacturers' shipments and an actual slight decline in business investment. Exports and imports also grew less rapidly. In 1968 and 1969, economic growth again accelerated but with the exception of exports and imports, the rates of increase were smaller than in the earlier period and in the case of business investment, a further decline was recorded in 1968 and recovery did not occur until 1969.

In addition to information on their overall transactions and financing the companies provided data on a geographical basis and on transactions with parents and affiliates.

By far the largest part of both income and expenses were within Canada, about three-quarters in each case. Foreign transactions were largely with the United States. Thus, of the total income received from foreign sources, approximately two-thirds was from the United States and of the total expenses incurred abroad, more than three-quarters were in that country. In the period under review the proportion of foreign income and expenses due to United States transactions increased sharply. In the case of

foreign income, the proportion derived from the United States increased from 59 per cent in 1964 to 81 per cent in 1969 and in the case of foreign expenses, those incurred in the United States rose from 76 per cent to 85 per cent over the same period. Much of this growing importance of the United States as both a market and a source of supply resulted from the increased trade connected with the automotive agreement. However, even if the transportation equipment industry is excluded, the other industries as a whole also showed a greater dependency on the United States market with the proportion rising from 60 per cent in 1964 to 68 per cent in 1969. The industries other than transportation equipment also showed a slight tendency to rely increasingly on the United States as a source of supply, obtaining 65 per cent of their imports from that country in 1964 and 66¹/₂ per cent in 1969.

Transactions with foreign parents and affiliates accounted for a substantial portion of the total international transactions of these subsidiary companies. Of total income received from abroad, almost all of which resulted from exports, more than one-half came from affiliated companies. The proportion grew sharply over the period, from 49 per cent in 1964 to 74 per cent in 1969. There was an even greater reliance on affiliates as a source of supply with about three-quarters of foreign expenses (including dividends) being with such affiliates. The proportion for merchandise purchases from affiliates was slightly less, averaging about 72 per cent. In the case of both total expenses and expenses for merchandise purchases, the proportion going to affiliates showed little change over the period. There were, however, some marked differences in the proportion of trade accounted for by affiliates in the United States and in other foreign countries. Exports to affiliates in the United States accounted for 61 per cent of total exports to that country in 1964 and for 82 per cent in 1969. Exports to affiliates in other countries accounted for 28 per cent of such trade in 1964 and this proportion changed little over the period. Purchases from affiliates in the United States accounted for about 66 per cent in 1969 of all purchases in that country while purchases from affiliates in other foreign countries accounted for almost 78 per cent of the total. The very sharp increase in exports to affiliates in the United States was largely the result of

increasing trade between Canadian automotive producers and their United States parents and affiliates.

This report also provides information on the operations of subsidiary companies on the basis of the country in which ownership of the subsidiaries is vested. These subsidiary companies are largely owned in the United States. In 1964, about 83 per cent of the revenues of all companies covered were accounted for by subsidiaries owned in the United States, 10 per cent by British-owned companies and the remaining seven per cent by companies owned in other foreign countries. By 1969, the United States proportion had increased to about 87 per cent while the proportion for Britain had declined to eight per cent and that of other countries was down to five per cent.

There are certain marked similarities among these companies regardless of country of ownership. The major foreign market for all three groups was the United States. In 1969, this country accounted for 78 per cent of the exports of United States-owned companies, 61 per cent of those of British-owned companies and 74 per cent in the case of other foreign-owned companies. For all three groups this proportion was greater than in 1964.

The major differences were in the source of imports. In 1969, United States-owned companies obtained about 92 per cent of their imports from the United States while companies controlled in Britain and other foreign countries obtained more than 65 per cent of their imports from countries other than the United States. The imports for all groups were principally in the form of purchases from foreign affiliates, 77 per cent for United States-owned companies, 54 per cent for British-owned companies and 81 per cent for companies owned in other foreign countries. The foreign sales of British-owned companies were primarily to non-affiliates with less than one-third of total sales going to affiliates. Both United States-owned companies and those owned in other foreign countries (excluding Britain) shipped the larger proportion of their exports to affiliates.

In short, the country of ownership does not appear to affect the extent of international trade of a subsidiary company but companies do tend to source their imports with parents and affiliates and to sell in the largest most accessible foreign market, namely the United States.

SECTION 1. — INCOME, EXPENSES, EARNINGS AND DIVIDENDS

Income and Expenses, 1964 to 1969

Income

The total income of the reporting corporations amounted to \$25 billion in 1969, some three-fifths above the \$15½ billion shown for 1964. Income rose each year in the period, the year-over-year gain being 12 per cent between both 1964 and 1965 and 1965 and 1966, and of eight to nine per cent between subsequent years. This trend was largely the result of developments in operating sales as these accounted for 98 per cent of the total income reported for each year in the 1964 to 1969 period. The rise in operating sales over the period was 61 per cent, a better

performance than that shown by the factory shipments of all Canadian manufacturers which grew by 46 per cent between 1964 and 1969.

Sales to foreign markets accounted for an important and growing proportion of the total operating sales of the respondents, rising from \$2.8 billion in 1964 to \$6.3 billion in 1969 and comprising 25.6 per cent of total sales in 1969 compared with 18.3 per cent five years earlier. The gain in dollar terms was 125 per cent which is about two and three-quarters times the increase shown in domestic sales and half again as much as the 81 per cent rise shown in total Canadian merchandise exports over the period.

SUMMARY TABLE 1. — Income and Expenses, All Reporting Corporations, Annually, 1964 to 1969

In millions of dollars

Item	1964	1965	1966	1967	1968	1969
<i>Income:</i>						
From operating sales	15,210	16,974	19,084	20,819	22,718	24,458
Other current receipts ⁽¹⁾	301	379	408	414	450	554
Total income	15,511	17,353	19,492	21,233	23,168	25,012
<i>Expenses:</i>						
Merchandise purchases ⁽²⁾	8,740	10,008	11,685	12,585	13,503	14,769
Other current expenses ⁽³⁾	5,287	5,922	6,547	7,332	7,929	8,511
Total expenses	14,027	15,930	18,232	19,917	21,432	23,280

(1) Comprises interest, dividends, rent, royalties, payments for scientific research, etc.

(2) Includes capital equipment items.

(3) Covers salaries and wages, interest, rent, royalties, outlays on research, etc., and excludes dividends.

The major stimulus to the growth in both sales and exports came from the transportation equipment industry. The rapid expansion of the automotive industry particularly in exports, following the Canada-United States automotive agreement of 1965 was the major factor in the growth shown by this industry. Sales by firms in the transportation equipment industry increased from \$2.6 billion in 1964 to \$6.2 billion in 1969 and exports rose from \$375 million to \$3.1 billion over the period. Firms in some other industry groups also showed significant increases in sales and exports over the period, notably those in the gas and oil, machinery and metal fabricating, chemical products and pulp and paper industries. While all industry groups expanded sales over the 1964 to 1969 period, exports declined in the cases of three groupings, the wholesale trade, the food and beverage, and the other non-manufacturing classifications. The declines in the first two of these groups were substantial, and resulted from lower foreign sales of grains by the wholesalers and a drop in the flour exports of firms in the food and beverage industry.

The proportions of the total sales of the reporting corporations going to foreign markets during the 1964 to 1969 period varied considerably both from industry to industry and from year to year. The four industry groups depending most heavily upon foreign markets in all years in the period were the pulp and paper, the wholesale trade, the mining and primary metals, and the transportation equipment classes, ranked in that order in all the years covered except for 1969 when the transportation equipment category replaced the wholesale trade in second position, with the wholesale trade group falling to the fourth spot. However, the proportions of shipments going to export markets were lower in 1969 than in 1964 for the first three of these industries. Thus, the share of the sales consigned to foreign markets fell from 64.7 per cent in 1964 to 57.7 per cent in 1969 in the case of pulp and paper group, from 55.9 per cent to 38.5 per cent for the wholesale trade class and from 47.9 per cent to 43.7 per cent for the mining and primary metals group. On the other hand, the operation of the automotive pact boosted the proportion of the sales of the transportation equipment

industry from 14.3 per cent in 1964 to 50.4 per cent five years later. Three other industries exported a larger portion

of output in 1969 than in 1964, these were the machinery and metal fabricating, the gas and oil and the electrical products classes.

SUMMARY TABLE 2. — Total Sales, Export Sales, Proportions of Export Sales to Total Sales, Total Purchases, Purchases Made Abroad and Proportions of Purchases Made Abroad to Total Purchases. All Reporting Corporations, Annually, 1964 to 1969

Item	1964	1965	1966	1967	1968	1969	Per cent increase 1964-1969
<i>Values:</i>							
	<i>In millions of dollars</i>						<i>%</i>
Total operating sales	15,210	16,974	19,084	20,819	22,718	24,458	60.8
Value of Canadian manufacturers' shipments ⁽¹⁾ . .	30,856	33,881	37,303	38,955	42,061	45,076	46.1
Export sales	2,785	3,011	3,881	4,575	5,541	6,270	125.1
Value of total Canadian exports ⁽²⁾	8,238	8,745	10,326	11,338	13,537	14,874	80.6
Total merchandise purchases	8,740	10,008	11,685	12,585	13,503	14,769	69.0
Merchandise purchased abroad	2,430	2,992	3,481	4,068	4,966	5,684	133.9
Value of total Canadian imports ⁽²⁾	7,537	8,627	10,102	10,772	12,162	14,014	85.9
<i>Proportions:</i>							
	<i>In percentages</i>						
Total operating sales to value of Canadian manufacturers' shipments	49.3	50.1	51.2	53.4	54.0	54.3	—
Export sales to total operating sales	18.3	17.7	20.3	22.0	24.4	25.6	—
Export sales to total Canadian exports	33.8	34.4	37.6	40.4	40.9	42.2	—
Purchases abroad to total purchases	27.8	29.9	29.8	32.3	36.8	38.5	—
Purchases abroad to total Canadian imports	32.2	34.7	34.5	37.8	40.8	40.6	—

(1) Data provided by the Manufacturing and Primary Industries Division of the Dominion Bureau of Statistics.

(2) *Quarterly Estimates of the Canadian Balance of International Payments, Fourth Quarter, 1970*, DBS.

SUMMARY TABLE 3. — Total Sales, and Export Sales, All Reporting Corporations, by Industry, Annually, 1964, 1967 and 1969

In millions of dollars

Industry	Total sales			Export sales		
	1964	1967	1969	1964	1967	1969
Mining and primary metals	760	892	983	364	410	430
Gas and oil	2,813	3,562	4,113	277	399	569
Machinery and metal fabricating	1,111	1,504	1,694	99	175	232
Transportation equipment	2,615	4,643	6,226	375	1,748	3,138
Electrical products	962	1,314	1,482	90	161	174
Chemical products	1,120	1,377	1,600	109	99	152
Food and beverage	1,471	1,711	1,885	143	117	96
Pulp and paper	1,158	1,436	1,621	749	817	936
Other manufacturing	980	1,321	1,535	79	92	124
Wholesale trade	868	1,032	1,051	485	543	405
Other non-manufacturing	1,352	2,027	2,268	15	14	14
Total	15,210	20,819	24,458	2,785	4,575	6,270

SUMMARY TABLE 4. — Exports as Proportions of Total Operating Sales and Purchases Abroad as Proportions of Total Purchases, All Reporting Corporations, by Industry, Annually, 1964 to 1969

In percentages

Industry	Export sales as proportions of total sales						Purchases abroad as proportions of total purchases					
	1964	1965	1966	1967	1968	1969	1964	1965	1966	1967	1968	1969
Mining and primary metals	47.9	45.6	44.6	46.0	48.1	43.7	25.9	25.1	21.6	24.7	21.7	19.4
Gas and oil	9.8	9.5	10.3	11.2	13.1	13.8	25.1	24.9	23.3	22.9	24.5	24.1
Machinery and metal fabricating	8.9	7.9	10.2	11.6	12.5	13.7	38.8	39.8	43.6	45.3	45.9	47.9
Transportation equipment	14.3	15.2	27.5	37.6	44.0	50.4	43.9	52.0	54.5	61.7	70.0	72.9
Electrical products	9.4	9.4	9.9	12.3	13.4	11.7	29.8	30.3	30.8	29.5	32.5	32.1
Chemical products	9.7	8.3	9.3	7.2	8.0	9.5	32.9	31.3	27.9	28.3	30.4	33.2
Food and beverage	9.7	8.9	8.3	6.8	5.3	5.1	24.1	21.7	19.5	19.7	19.4	19.5
Pulp and paper	64.7	63.4	61.8	56.7	57.1	57.7	7.6	7.5	6.6	5.7	7.0	8.4
Other manufacturing	8.1	7.9	7.6	7.0	7.4	8.1	32.0	33.6	29.5	31.3	33.8	31.6
Wholesale trade	55.9	55.4	58.9	52.6	49.5	38.5	25.7	27.0	23.4	23.9	24.5	28.1
Other non-manufacturing	1.1	1.0	0.5	0.7	1.0	0.6	5.0	6.1	5.8	4.3	4.5	4.8
Total	18.3	17.7	20.3	22.0	24.4	25.6	27.8	29.9	29.8	32.3	36.8	38.5

NOTE: The value figures upon which the percentages above are based are shown for 1964, 1967 and 1969 in Summary Tables 3 and 6, and for 1965, 1966 and 1968 in Appendix VIII.

The income of the reporting corporations from sources other than operating sales rose from \$301 million in 1964 to \$554 million in 1969, a somewhat larger percentage gain than that shown by sales, but still only equivalent to two per cent of the total in 1969. The major components of these 'other current receipts' are interest, rent on property and equipment, dividends, and payments received for research and development work; about four-fifths of these originate in Canada.

The major items in the 1969 other income total were interest \$122 million, rents, \$96 million, dividends, \$82 million and fees for research and development, \$26 million. The substantial rise in interest payments, from \$59 million in 1964 to \$98 million in 1967, and \$122 million in 1969 probably reflects the rising trend in general interest rates which took place during this period.

Expenses

The foreign-owned subsidiaries covered in the survey reported total expenses of \$23.3 billion in 1969, about two-thirds more than the \$14 billion outlay made in 1964. Purchases of merchandise including capital items comprised just over three-fifths of total expenses throughout the 1964 to 1969 period, the proportions accounted for by this type of expense ranging from a low of 62.3 per cent in 1964 to a high of 64.1 per cent in 1966.

The reporting corporations relied upon foreign suppliers for a sizeable and growing part of their purchases of merchandise during the 1964 to 1969 period. Their imports of goods rose from \$2.4 billion in 1964 to \$5.7 billion five years later, an increase of about 134 per cent. This compares with the 125 per cent increase shown in their merchandise exports over this period, and the rise of about 86 per cent indicated for total Canadian merchandise imports between 1964 and 1969.

SUMMARY TABLE 5. — Income Other Than From Operating Sales, All Reporting Corporations, by Major Item, Annually, 1964, 1967 and 1969

Item	Value In millions of dollars			Percentage distribution %		
	1964	1967	1969	1964	1967	1969
Interest received	59	98	122	19.6	23.7	22.0
Rent from property and equipment	46	71	96	15.3	17.1	17.3
Dividends received	53	55	82	17.6	13.3	14.8
Payments for research and development	16	28	26	5.3	6.8	4.7
All other receipts	127	162	228	42.2	39.1	41.2
Total	301	414	554	100.0	100.0	100.0

SUMMARY TABLE 6. — Total Purchases and Purchases Abroad, All Reporting Corporations, by Industry, Annually, 1964, 1967 and 1969

In millions of dollars

Industry	Total purchases			Purchases abroad		
	1964	1967	1969	1964	1967	1969
Mining and primary metals	301	384	408	78	95	79
Gas and oil	1,516	2,045	2,379	380	468	574
Machinery and metal fabricating	631	848	878	245	384	421
Transportation equipment	1,629	3,184	4,433	715	1,966	3,232
Electrical products	514	750	848	153	221	272
Chemical products	575	752	820	189	213	272
Food and beverage	921	1,064	1,075	222	210	210
Pulp and paper	473	663	713	36	38	60
Other manufacturing	519	665	746	166	208	236
Wholesale trade	787	867	897	202	207	252
Other non-manufacturing	874	1,363	1,572	44	58	76
Total	8,740	12,585	14,769	2,430	4,068	5,684

Each of the 11 industry groups had higher merchandise purchases in 1969 than five years earlier, and all but one, the food and beverage category, reported higher purchases abroad in 1969. The transportation equipment industry accounted for a major part of the rises shown in both total purchases and purchases abroad over the period, its purchases being responsible for \$2.8 billion of the \$6 billion total increase in purchases and for \$2½ billion of the \$3¼ billion overall gain in imports. As in the case of the sales and exports of this industry, the increases in purchases and in imports stemmed from the implementation of the Canada-United States automotive pact of 1965. Two other industry groups, the gas and oil, and the other non-manufacturing classification, show substantially higher purchases in 1969 than in 1964, those of the former being up by \$863 million and those of the latter showing a gain of \$698 million. The rises indicated for the other seven groups with higher purchases were more modest, ranging from \$107 million in the case of the mining and primary metals class to \$334 million for the electrical products group. Three other industry groups, in addition to the transportation equipment class, expanded their imports by more than \$100 million over the 1964 to 1969 period, those of the gas and oil class rising by \$194 million, those of the machinery and metal fabricating increasing by \$176 million and those of the electrical products industry gaining \$119 million. Of the remaining seven industry groups, six had increases in imports ranging from less than \$2 million for the mining and primary metals grouping to \$83 million for the chemical products class while the food and beverage industry imported \$12 million less in 1969 than in 1964.

Of the 11 industry groupings used in this study, four relied on foreign sources for a substantially higher

proportion of their merchandise purchases in 1969 than in 1964, two depended upon foreign suppliers for a significantly lower portion of their purchases, and the remaining five groups showed little change in the relative extent of their dependence upon imported goods over the 1964 to 1969 period. The transportation equipment industry purchased about 73 per cent of requirements of merchandise abroad in 1969 compared with about 44 per cent five years earlier, a development, as mentioned previously, resulting largely from the operation of the auto agreement. The three other industry groups reporting substantially higher proportionate purchases abroad over the period were the machinery and metal fabricating classification with imports up from about 39 per cent in 1964 to almost 48 per cent in 1969, the electrical products group, up from 30 to 32 per cent, and the wholesale trade category which imported some 28 per cent of its merchandise requirements in 1969 compared with around 25½ per cent in 1964. On the other hand, the mining and primary metals industry obtained only about 19½ per cent of its merchandise needs from foreign sources in 1969 compared with about 26 per cent in 1964, and the food and beverage group decreased its dependency upon external sources from some 24 per cent to 19½ per cent over the period. The other five industry groups had changes in the foreign sourcing of their purchases of one percentage point or less between 1964 and 1969.

As in the case of exports, the very substantial increase in the foreign purchases of the transportation equipment industry was largely responsible for the heavier reliance in percentage terms of all industries in 1969 than in 1964. If the total purchases and the purchases abroad of the transportation equipment industry are excluded from the totals, the purchases of the remaining 10 industry groups

only increased from \$7.1 billion in 1964 to \$10.3 billion in 1969, their imports only rose from \$1.7 billion to \$2¹/₂ billion, and the proportion of imports to total purchases was only 23.7 per cent in 1969 compared with 24.1 per cent five years earlier. The latter proportions compare with the 38¹/₂ per cent and the 27.8 per cent shown for all industries in 1969 and 1964.

The current expenses of the reporting corporations other than for the purchase of goods amounted to \$8¹/₂

billion in 1969, about three-fifths more than the \$5.3 billion total of five years earlier. This item, mainly because it includes wages and salaries, is much more important in total expenses than is the income from other than operating sales portion of total income. Thus, the 'other current expense' portion accounted for about 38 per cent of total expenses in 1964 and for 37 per cent in 1969, while the 'other current income' comprised only two per cent of total income in both 1964 and 1969.

SUMMARY TABLE 7. – Expenses Other Than for Purchases of Merchandise, All Reporting Corporations, by Major Item, Annually, 1964, 1967 and 1969

Item	Value In millions of dollars			Percentage distribution %		
	1964	1967	1969	1964	1967	1969
Salaries and wages	2,570	3,562	4,144	48.6	48.6	48.7
Interest	113	214	274	2.1	2.9	3.2
Rent on property and equipment	131	182	223	2.5	2.5	2.6
Charges for research and development	98	120	111	1.9	1.6	1.3
Royalties paid	65	87	114	1.2	1.2	1.4
Managerial and administrative charges, including directors' fees	43	57	68	0.8	0.8	0.8
All other expenses	2,267	3,110	3,577	42.9	42.4	42.0
Total	5,287	7,332	8,511	100.0	100.0	100.0

Earnings and Their Disposition

The reporting corporations had total profits of \$2.1 billion in 1964, \$2.4 billion in 1967 and \$2.8 billion in 1969. Of the 1964 total profits, 28.1 per cent went for income taxes, 33.7 per cent was put aside as depreciation, depletion and similar allowances, and the remaining 38.2 per cent represented the net profits. The 1969 total profit was disposed of as follows; 27¹/₂ per cent for income taxes, 34.9 per cent for depreciation and similar reserves, and the other 37.6 per cent was the year's net profit. The net profit was, in turn, either paid out as dividends or kept in the business as retained earnings. In 1964, \$385 million or 47.6 per cent of the year's net profit was paid out as dividends and the remaining \$423 million, or 52.4 per cent, kept for use in the business. As proportions of total profits, dividends amounted to 18.2 per cent in 1964 and to 13.4 per cent in 1969 while retained earnings were equivalent to 20 per cent of the 1964 total profit and to 24.2 per cent of that of 1969. The share of dividends going to residents of Canada was 9.4 per cent in 1964 and 15.9 per cent five years later. Dividends paid to non-residents, mainly investors in the United States, totalled \$349 million in 1964 and \$318 million in 1969. These dividend figures include the Canadian withholding tax and, thus, may be as much as 15 per cent higher than the actual outflow of funds used to pay dividends to foreign investors. Allowing for this reduction in dividends paid abroad, the share of

total profits going to Canadian governments as income and withholding taxes could have been of the order of 30 per cent in 1964 and of 29 per cent in 1969.

Dividends Declared and Net Profits

Trends in dividend payments varied from those shown for profits. Such payments increased substantially from 1964 to 1966 with the proportion of profits paid out as dividends rising from 47.6 per cent to 50.4 per cent. In 1967 there was a sharper decline in dividend payments than in profits and although profits improved in both 1968 and 1969 dividend payments remained at about the 1967 level. As a result, dividend payments as a proportion of profits declined to 42.2 per cent in 1967, to 37.8 per cent in 1968 and to 35.7 per cent in 1969. This lower level of dividend payments in the 1967 to 1969 period was primarily in the form of reduced payments abroad as payments to Canadian shareholders tended to rise throughout the period.

The data provided by the respondent companies suggest that there are wide differences in the dividend policies of individual companies and, possibly, of whole industries as well. Dividend payments in any one year, particularly in the cases of wholly-owned subsidiaries, appear to have little relation to the profits realized in that year. Some of the reporting corporations paid no dividends in any of the years covered, some paid substantial dividends

SUMMARY TABLE 8. – Total Profits, Provisions for Income Taxes and for Depreciation and Similar Purposes, Dividends Declared and Retained Earnings, All Reporting Corporations, Annually, 1964, 1967 and 1969

Item	1964	1967	1969
<i>Value:</i>	<i>In millions of dollars</i>		
<i>–Total profits</i>			
Total income	15,511	21,233	25,012
Total expenses ⁽¹⁾	13,399	18,799	22,197
Total profits	2,112	2,434	2,815
<i>–Net profits</i>			
Total profits	2,112	2,434	2,815
Less provisions for			
Income taxes	–593	–638	–775
Depreciation, etc.	–711	–906	–981
Net profits	808	890	1,059
–Dividends declared	385	376	378
–Retained earnings	423	514	681
Net profits	808	890	1,059
<i>Proportions:</i>	<i>In percentages</i>		
<i>Of total profits</i>			
–Provisions for income taxes	28.1	26.2	27.5
–Provisions for depreciation, etc.	33.7	37.2	34.9
–Net profit total	38.2	36.6	37.6
Of which, dividends comprised	{ 18.2	{ 15.5	{ 13.4
Of which, retained earnings	{ 20.0	{ 21.1	{ 24.2
Total	100.0	100.0	100.0
<i>Of net profits</i>			
–Dividends declared	47.6	42.2	35.7
–Retained earnings	52.4	57.8	64.3
Total	100.0	100.0	100.0

(1) Excludes purchases of capital equipment.

SUMMARY TABLE 9. – Dividends Declared by Geographical Area, All Reporting Corporations, Annually, 1964 to 1969

Dividends declared	1964	1965	1966	1967	1968	1969
<i>Amounts to residents of:</i>	<i>In millions of dollars</i>					
United States	307	336	367	279	291	279
Other foreign countries	42	45	46	42	41	39
All foreign countries	349	381	413	321	332	318
Canada	36	44	46	55	52	60
All countries	385	425	459	376	384	378
<i>Proportions of totals to residents of:</i>	<i>In percentages</i>					
United States	79.7	79.0	80.0	74.2	75.8	73.8
Other foreign countries	10.9	10.6	10.0	11.2	10.7	10.3
All foreign countries	90.6	89.6	90.0	85.4	86.5	84.1
Canada	9.4	10.4	10.0	14.6	13.5	15.9
All countries	100.0	100.0	100.0	100.0	100.0	100.0

in some years and none in others, and a few firms paid dividends in excess of the current year's net profits. These actions are probably related to the relative needs of the subsidiary or the foreign parent for funds at differing points in time and at different stages of expansion programs. While these divergent actions tend to nullify each other in total, their effects are apparent in the data shown in the two summary tables below and in Table 1 which cover the activities of the 11 individual industry groups in this field.

Summary Table 10 below shows the proportions of dividends declared to net profits realized by the reporting corporations by the 11 industry groups for each year in the 1964 to 1969 period; the dollar figures on which these percentages are based are given in Table 1 at the end of this section. The industry data illustrate the wide fluctuations in the relationship of dividends to net profits earned, both between the various industry classes and for the same industries from year to year. In 1964, for example, while the 11 industry groups taken together paid out about 47½ per cent of their net profits in the form of dividends, the proportions devoted to this use by the individual industry groups ranged from 20 per cent for the transportation equipment class to 143 per cent for the respondents in the chemical products business. Also, while the industries in aggregate used about 50½ per cent of their 1966 total net profits to pay dividends to their shareholders, the portions used by specific industry classes varied from 23 per cent in the case of the mining and primary metals group to 115 per cent for the transportation equipment category. Finally, in 1969, while the respondents taken together paid out about 36 per cent of their aggregate net profits to shareholders, the proportion used thusly by individual industries was as

low as nine per cent in the case of the transportation group and as high as 56 per cent for the chemical products classification. The wide fluctuations in the proportions of net profits used for dividend payments by specific industries from year to year is evident in such industries as the transportation equipment one where dividend payments were equivalent to 115 per cent of net profits in 1966 and to only nine per cent in 1969, and by the chemical products group which had dividends equivalent to 143 per cent of net profits in 1964 and to only about 56 per cent five years later. Similarly, the dividends paid by the other manufacturing group of industries were equivalent to 111 per cent of net profits in 1965 but accounted for only 31 per cent of profits in 1969. Despite these conflicting trends, it does appear that the respondents, both individually and in aggregate, have been devoting less of their net profits in relative terms to dividends in the more recent years, i.e. from 1967 onward. Nine of the 11 industry groups had lower proportion of net earnings going to dividends in 1969 than five years earlier, and eight of these were lower than in 1966. The data also seem to indicate that certain industry groups normally pay out higher proportions of net profits than do others. In the six years covered, such payments by the chemical products class ranged between 56 per cent and 143 per cent and the proportions of net profits used to pay dividends by the gas and oil industry were within the relatively high limits of 43 per cent to 55 per cent in all years in the period. On the other hand, the dividends paid by the mining and primary metals industry accounted for less than 40 per cent of the net profits in five of the six years covered and those disbursed by the other non-manufacturing classification were less than 27 per cent of net earnings in all but one year in the 1964 to 1969 period.

SUMMARY TABLE 10. — Dividends Declared as Proportions of Net Profits, All Reporting Corporations, by Industry, Annually, 1964 to 1969

	In percentages					
	1964	1965	1966	1967	1968	1969
Mining and primary metals	33.3	31.2	23.3	43.5	39.0	15.3
Gas and oil	47.1	43.5	44.6	45.6	43.1	55.0
Machinery and metal fabricating	52.6	48.4	58.5	20.3	37.9	47.7
Transportation equipment	20.2	71.9	114.9	18.6	12.0	9.3
Electrical products	29.0	42.5	35.4	50.0	45.2	53.7
Chemical products	143.3	60.3	56.2	73.0	59.2	55.8
Food and beverage	47.2	46.2	57.1	63.5	40.0	21.5
Pulp and paper	29.7	60.2	46.2	69.6	32.1	21.8
Other manufacturing	43.8	110.7	43.1	43.1	64.6	31.0
Wholesale trade	56.2	50.0	29.4	18.8	58.3	50.0
Other non-manufacturing	45.5	26.9	25.8	19.0	17.9	20.0
Total	47.6	50.3	50.4	42.2	37.8	35.7

TABLE 1. — Dividends Declared and Net Profits Earned, All Reporting Corporations, by Industry, Annually, 1964 to 1969
In millions of dollars

Industry	1964		1965		1966		1967		1968		1969	
	Dividends declared	Net profits	Dividends declared	Net profits	Dividends declared	Net profits	Dividends declared	Net profits	Dividends declared	Net profits	Dividends declared	Net profits
Mining and primary metals	31	93	29	93	21	90	30	69	32	82	11	72
Gas and oil	96	204	107	246	120	269	131	287	141	327	170	309
Machinery and metal fabricating . .	30	57	30	62	38	65	14	69	25	66	42	88
Transportation equipment	21	104	69	96	108	94	21	113	20	166	16	172
Electrical products	9	31	17	40	17	48	22	44	19	42	22	41
Chemical products	96	67	44	73	41	73	46	63	45	76	43	77
Food and beverage	25	53	24	52	32	56	33	52	24	60	14	65
Pulp and paper	27	91	50	83	36	78	39	56	17	53	19	87
Other manufacturing	21	48	31	28	25	58	25	58	42	65	22	71
Wholesale trade	9	16	10	20	5	17	3	16	7	12	6	12
Other non-manufacturing	20	44	14	52	16	62	12	63	12	67	13	65
Total	385	808	425	845	459	910	376	890	384	1,016	378	1,059

SECTION 2. — CURRENT INTERNATIONAL TRANSACTIONS

The foreign-owned subsidiaries covered in this study include many of the largest business enterprises in Canada and most of these are involved in large-scale international transactions in both goods and services. The growing tendency of the larger corporations to conduct operations and financing activities on a multinational or global basis has meant that Canadian offshoots frequently have business dealings with affiliates in a number of foreign countries as well as with the common parent in the country in which it is domiciled. Some Canadian subsidiaries were set up primarily to supply the parent and/or sister companies abroad with raw materials or supplies while others were established in Canada to produce finished items for the Canadian market and/or for export from components and parts supplied by the parent's home plant. There is also a substantial two-way trade in finished items of a kind not produced by the importing enterprise and this endeavour to rationalize output internationally has meant that Canadian subsidiary plants frequently are the sole producers of certain items which are stocked, sold and serviced by their parents and affiliates abroad. In turn, the Canadian company will import, distribute and service other finished goods produced by parents or affiliates in other countries. The benefits of such arrangements include not only the efficiencies and savings stemming from large-scale production but the enabling of the parent and affiliates to offer a fuller line of products in the market place. Services of many kinds are constantly being interchanged between parent and other companies abroad and Canadian subsidiaries, and these affect the Canadian balance of international payments as well as the trade in merchandise, since transfers of funds in and out of Canada are involved. Among such services are the return on invested capital in the form of interest and dividends, the payment or receipt of royalties, licencing fees, rent, fees for managerial or administrative work, recompense for scientific research and development operations, etc.

In considering the international transactions in merchandise set out in this report, the following qualifications should be borne in mind: the data on exports pertain in most instances to sales made directly by the respondents to foreign buyers, and the merchandise import figures shown refer only to purchases made by the respondents from foreign suppliers. Thus, the export figures do not include goods sold by the respondents to resident companies or individuals and subsequently exported by them, and the imported merchandise totals do not include goods of foreign origin purchased from suppliers in Canada. Also, the imported merchandise figures include in most cases custom duties, sales taxes and the cost of transportation within Canada.

Merchandise Exports and Imports, 1964 to 1969

The reporting corporations exported goods worth \$6.3 billion in 1969, almost \$3½ billion more than five years earlier. United States was the most important market during all years in the 1964 to 1969 period, accounting for more than four-fifths of the total exports of the respondents in 1969, a substantial increase over the three-fifths of the total absorbed in 1964. While the exports going to countries other than the United States showed little change in value terms over the period, amounting to between \$1.1 billion and \$1¼ billion in all years, the proportion they comprised of the total fell sharply, from about two-fifths in 1964 to 18½ per cent in 1969.

The respondents increased their foreign purchases fairly steadily during the 1964 to 1969 period with their imports rising from \$2.4 billion in 1964 to \$5.7 billion five years later. This trend was set by imports from the United States which rose from \$1.8 billion to \$4.8 billion over the period and which increased their share of the total from about 73 per cent in 1964 to close to 84½ per cent in 1969.

As has been mentioned earlier, much of the very substantial increases in the two-way merchandise trade of the reporting corporations with the United States that took place over the 1964 to 1969 period stemmed from the implementation and operation of the Canada-United States automotive agreement of 1965.

The external merchandise trade of the reporting corporations contributed materially to Canada's balance of international payments position over the 1964 to 1969 period, with their merchandise sales abroad exceeding their foreign purchases by amounts ranging between \$355 million and \$586 million in all years except 1965 when the surplus dropped to \$20 million. As Summary Table 11 shows, the respondents earned substantial surpluses on their trade with countries other than the United States in all years in the period while the deficits incurred with the United States in the first three years of the period were transformed into surpluses from 1967 onward.

Over the 1964 to 1969 period the importance of the United States as both a market and as a source of supply increased significantly in both absolute and relative terms. Thus, in 1964 the respondents sold goods to the United States valued at \$1.7 billion, equivalent to 60½ per cent of their total foreign shipments, and purchased United States goods worth \$1.8 billion, or 73 per cent of their total foreign purchases. In 1969, however, their sales to United States totalled \$5.1 billion, 81½ per cent of all foreign sales and their purchases

SUMMARY TABLE 11. — Merchandise Trade Between Canada and the United States and Between Canada and All Other Foreign Countries, All Reporting Corporations, Annually, 1964 to 1969

Year and geographical area	Amount in millions of dollars			Proportion in percentages		
	Export sales	Imports of merchandise	Balance on merchandise trade	Export sales	Imports of merchandise	Balance on merchandise trade
1964						
United States	1,681	1,771	-90	60.4	72.9	n/a
Other foreign countries	1,104	659	445	39.6	27.1	n/a
All foreign countries	2,785	2,430	355	100.0	100.0	n/a
1965						
United States	1,898	2,311	-413	63.0	77.2	n/a
Other foreign countries	1,114	681	433	37.0	22.8	n/a
All foreign countries	3,011	2,992	20	100.0	100.0	n/a
1966						
United States	2,718	2,778	-60	70.0	79.8	n/a
Other foreign countries	1,163	704	459	30.0	20.2	n/a
All foreign countries	3,881	3,481	399	100.0	100.0	n/a
1967						
United States	3,477	3,307	170	76.0	81.3	33.5
Other foreign countries	1,098	761	337	24.0	18.7	66.5
All foreign countries	4,575	4,068	507	100.0	100.0	100.0
1968						
United States	4,294	4,152	141	77.5	83.6	24.6
Other foreign countries	1,247	814	433	22.5	16.4	75.4
All foreign countries	5,541	4,966	574	100.0	100.0	100.0
1969						
United States	5,115	4,796	319	81.6	84.4	54.4
Other foreign countries	1,155	888	267	18.4	15.6	45.6
All foreign countries	6,270	5,684	586	100.0	100.0	100.0

NOTE: Merchandise imports include purchases of capital equipment items.
Totals may not add or subtract exactly, due to rounding.

in that country amounted to \$4.8 billion or about 84½ per cent of all goods bought abroad. As the result of these developments, the merchandise trade of the reporting corporations with foreign countries, other than the United States, declined significantly in relative terms over the period although it did increase in dollar terms. Exports to these countries were about \$50 million higher in 1969 than in 1964 but their share of the total fell from 39½ per cent to 18½ per cent, and, similarly, while imports from these countries in 1969 were \$229 million above the 1964 level, their proportion of the respondents' total merchandise imports was only 15½ per cent at the end of the period compared with 27 per cent at its beginning.

Summary Tables 12, 13 and 14 show the major and growing role inter-company dealings play in the international transactions of the reporting corporations. Exports to affiliates rose from \$1.3 billion in 1964 to \$4½ billion in 1969 and the proportion of foreign sales absorbed by associated firms grew from about 48 per cent in 1964 to some 72 per cent five years later. Imports from parent and affiliated companies increased from \$1.6 billion to \$4.3 billion over the period, and the share of total foreign purchases accounted by this type of inter-company trade rose from 67 per cent in 1964 to 76 per cent in 1969. As a result of these developments, the deficits incurred on merchandise trade with parents and affiliates in the first two years of this

SUMMARY TABLE 12. — Merchandise Trade with Parents and Affiliates Abroad, All Reporting Corporations, Annually, 1964 to 1969

Year and item	Export sales	Imports of merchandise	Balance on merchandise trade
1964			
Trade with parents and affiliates abroad:			
—In millions of dollars	1,335	1,628	—293
—As percentages of total foreign trade	47.9	67.0	n/a
1965			
Trade with parents and affiliates abroad:			
—In millions of dollars	1,496	2,035	—539
—As percentages of total foreign trade	49.7	68.0	n/a
1966			
Trade with parents and affiliates abroad:			
—In millions of dollars	2,292	2,422	131
—As percentages of total foreign trade	59.1	69.6	32.8
1967			
Trade with parents and affiliates abroad:			
—In millions of dollars	3,005	2,891	115
—As percentages of total foreign trade	65.7	71.1	22.7
1968			
Trade with parents and affiliates abroad:			
—In millions of dollars	3,763	3,722	41
—As percentages of total foreign trade	67.9	74.9	7.1
1969			
Trade with parents and affiliates abroad:			
—In millions of dollars	4,534	4,312	222
—As percentages of total foreign trade	72.3	75.9	37.9

NOTE: Merchandise imports include purchases of capital equipment items.
Totals may not add or subtract exactly, due to rounding.

period were converted into surpluses in succeeding years, the unfavourable balances of \$293 million in 1964 and of \$539 million in 1965 giving way to favourable balances which ranged from \$41 million to \$222 million in subsequent years.

The extent of the reliance of the respondents upon affiliates abroad as markets for their production and as sources of supply for their imported requirements varied considerably from industry to industry and in the different years in the 1964 to 1969 period. Notwithstanding the fluctuations from year to year apparent in Summary Table 14, it does appear that most other industry groups besides the transportation class have tended to depend somewhat more on sales to affiliates over the period, the exceptions being the mining and primary metals industry and the electrical products group. The industry trend on the import side is mixed, five appear to be depending more on affiliates for their imported needs, four seem to be relying less on such

associates, and two show little change in the proportions of their needs supplied by foreign affiliates. In general, the sharply increased trade with affiliates was primarily due to the great expansion in both the exports and imports of the transportation equipment industry, resulting from the automotive agreement, and there is little evidence of any such overall trend by the other groups as a whole.

International Merchandise Transactions, 1967 to 1969

The degree to which the individual industry groups participated in international trade in the 1967 to 1969 period varied considerably. As might be expected, the resource-based industries had large foreign sales as many of these enterprises were set up in Canada specifically to meet the needs of foreign users, both affiliates and independents. Thus, the pulp and paper industry depended upon foreign markets for 57 per cent of its sales in 1967, the wholesale trade, which includes grain

SUMMARY TABLE 13. — Merchandise Trade with the United States and All Foreign Countries and with Parents and Affiliates in the United States and in All Foreign Countries, All Reporting Corporations, by Industry, 1964

Industry	Total export sales			Exports to parents, etc.		
	To United States	To all foreign countries	Per cent to United States	In United States	In all foreign countries	Per cent in United States
	\$ million	\$ million	%	\$ million	\$ million	%
Mining and primary metals	253	364	69.5	219	265	82.6
Gas and oil	251	277	90.6	162	176	92.0
Machinery and metal fabricating . .	52	99	52.5	50	86	58.1
Transportation equipment	253	375	67.5	96	138	69.6
Electrical products	34	90	37.8	21	42	50.0
Chemical products	68	109	62.4	25	50	50.0
Food and beverage	35	143	24.5	25	51	49.0
Pulp and paper	619	749	82.6	324	358	90.5
Other manufacturing	18	79	22.8	11	22	50.0
Wholesale trade	87	485	17.9	81	132	61.4
Other non-manufacturing	11	15	73.3	11	15	73.3
Total	1,681	2,785	60.4	1,025	1,335	76.8

Industry	Total imports			Imports from parents, etc.		
	From United States	From all foreign countries	Per cent from United States	In United States	In all foreign countries	Per cent in United States
	\$ million	\$ million	%	\$ million	\$ million	%
Mining and primary metal	67	78	85.9	49	58	84.5
Gas and oil	92	380	24.2	78	341	22.9
Machinery and metal fabricating . .	218	245	89.0	175	195	89.7
Transportation equipment	662	715	92.6	424	462	91.8
Electrical products	123	153	80.4	81	106	76.4
Chemical products	170	189	89.9	98	108	90.7
Food and beverage	116	222	52.3	57	70	81.4
Pulp and paper	30	36	83.3	7	12	58.3
Other manufacturing	143	166	86.1	97	105	92.4
Wholesale trade	117	202	57.9	94	158	59.5
Other non-manufacturing	33	44	75.0	13	13	100.0
Total	1,771	2,430	72.9	1,173	1,628	72.1

NOTE: Totals may not add exactly, due to rounding.

Imports include capital equipment items.

Data for 1967 and 1969 are given in Summary Tables 16 and 17 and for 1965, 1966 and 1968 in Appendix VIII.

brokers, for 53 per cent, and the mining and primary metals class for 46 per cent. No other industry exceeded the average proportion of sales exported in that year, i.e. 22 per cent, except transportation equipment operating under the automotive pact. In 1969, the pulp and paper industry continued to depend more on foreign markets than any other group and the extent of its reliance had increased slightly, to about 58 per cent, but both the mining and wholesale trade sectors

exported smaller proportions of their sales than two years earlier. The transportation equipment industry sold almost 50½ per cent of its output abroad in 1969, a substantial increase over the 1967 proportion of 37½ per cent. In aggregate, the 11 industries depended upon exports for about 25½ per cent of their total 1969 sales. On the import side, the reporting corporations obtained 38½ per cent of their merchandise purchases from foreign suppliers in 1969 compared with some 32

per cent two years earlier. The two industries relying most heavily in relative terms upon imports in both 1967 and 1969 were transportation equipment and machinery and metal fabricating, the former importing 62 per cent of its 1967 purchases and 73 per cent of its 1969 ones, and the latter relying upon foreign sources for 45 per cent of its purchases in the earlier year, and 48 per cent in the later one.

Summary Table 15 shows the pattern of merchandise exports and imports of the respondents with parents and affiliates in the United States and in other foreign countries in the years 1967, 1968 and 1969. The data presented here illustrate the continuing growth of the importance of the reporting corporations' external trade with parents and affiliates abroad, and especially with those in the United States. In 1967, exports to affiliates in the United States totalled \$2.7 billion and accounted for 90 per cent of all sales to foreign affiliates, and in 1969 goods valued at \$4.2

billion were shipped to parents and affiliates in that country, the equivalent of 93 per cent of total exports to related companies. Over this period, imports from related companies in the United States rose from \$2.3 billion to \$3.6 billion, and their share of total purchases from all affiliated firms increased from 80 per cent to 84 per cent. The two-way trade with affiliates in other foreign countries increased modestly over the period, exports rising from \$299 million to \$319 million and other than the United States imports growing from \$581 million to \$694 million. In all three years substantial and growing deficits were incurred on this trade with affiliates in countries other than the United States, i.e. \$282 million, \$301 million, and \$376 million, respectively. However, the large surpluses earned in dealings with associated companies in the United States more than offset these deficits so that overall surpluses of \$115 million, \$41 million and \$222 million resulted from transactions with affiliates in all foreign countries in the three years concerned.

SUMMARY TABLE 14. — Proportion of Exports to Parents and Affiliates Abroad, and of Imports from Parents and Affiliates Abroad, All Reporting Corporations, by Industry, Annually, 1964 to 1969

In percentages

Industry	Exports to parents and affiliates as percentages of total exports						Imports from parents and affiliates as percentages of total imports					
	1964	1965	1966	1967	1968	1969	1964	1965	1966	1967	1968	1969
Mining and primary metals	72.8	68.9	68.9	67.3	66.5	63.0	74.3	80.7	79.5	65.3	70.2	77.2
Gas and oil	63.5	61.5	61.7	66.7	64.8	67.3	89.7	88.3	86.0	87.0	85.7	87.6
Machinery and metal fabricating . .	86.9	89.7	90.9	89.7	90.9	90.5	79.6	78.9	78.5	82.6	78.1	79.8
Transportation equipment	36.8	54.9	82.6	84.2	85.9	88.9	64.6	67.7	71.3	71.1	78.5	78.8
Electrical products	46.7	54.5	49.6	44.7	37.8	39.1	69.3	72.7	71.0	70.1	64.1	69.5
Chemical products	45.9	41.6	50.4	58.6	49.2	52.0	57.1	54.9	56.2	60.1	59.8	63.2
Food and beverage	35.7	35.8	27.5	35.0	35.1	39.6	31.5	34.3	33.8	40.0	44.7	45.7
Pulp and paper	47.8	47.2	52.7	54.5	52.2	50.6	33.3	32.5	36.6	39.5	26.1	23.3
Other manufacturing	27.8	38.8	40.0	46.7	50.0	45.2	63.3	60.9	65.0	62.5	69.0	70.3
Wholesale trade	27.2	26.0	26.1	30.6	29.0	38.0	78.2	77.2	75.5	86.5	89.1	85.3
Other non-manufacturing	—(1)	93.3	90.0	71.4	60.0	78.6	29.5	22.6	25.0	29.3	16.4	18.4
Total	47.9	49.7	59.1	65.7	67.9	72.3	67.0	68.0	69.6	71.1	74.9	75.9

NOTE: Imports cover merchandise and capital equipment items.

(1) Exports to other than parents and affiliates amounted to only about \$2,000.

An examination of the merchandise transactions of the reporting corporations with parents and affiliates abroad on an individual-industry basis discloses considerable differences in the degree of dependence on these associated companies both as markets and as sources of supply. While about two-thirds of the total exports of the respondents went to affiliates in 1967, this proportion varied from 31 per cent in the case of the wholesale trade industry to 90 per cent for the machinery and metal fabricating group, and while the respondents relied in aggregate terms on affiliates abroad for 71 per cent of their foreign purchases, the dependence of individual industries in this respect ranged from 29 per cent in the case of the other non-manufacturing group to 87 per cent for the gas and oil industry. Similarly, while 72 per cent of the export sales of

the respondents went to affiliates in 1969 in aggregate, the extent of the reliance of specific industries varied from 38 per cent for the wholesale trade to 91 per cent for the machinery and metal fabricating class. Similarly, while the reporting corporations taken together obtained 76 per cent of their total imports from associated companies in 1969, the degree of this dependence was a low of 18 per cent in the other non-manufacturing class and a high of 88 per cent for the gas and oil industry. Transactions with affiliates in the United States accounted for the bulk of the inter-company exchange of goods, associated firms in that country taking 90 per cent of all sales to foreign affiliates in 1967 and 93 per cent in 1969, and supplying 80 per cent of all purchases from foreign related companies in 1967 and 84 per cent in 1969.

SUMMARY TABLE 15. — Merchandise Trade Between the Reporting Corporations and Parents and Affiliates in the United States and in Other Foreign Countries, Annually, 1967 to 1969

Item	Trade of the reporting corporations with parents and affiliates in								
	United States			Other foreign countries			All foreign countries		
	1967	1968	1969	1967	1968	1969	1967	1968	1969
<i>Amounts:</i>	<i>In millions of dollars</i>								
—Export sales	2,707	3,413	4,216	299	349	319	3,005	3,763	4,534
Imports of merchandise	2,213	3,005	3,530	560	640	670	2,773	3,645	4,201
Imports of capital goods	97	66	88	21	11	24	117	77	111
—Total merchandise imports	2,310	3,072	3,618	581	650	694	2,891	3,722	4,312
—Balance on merchandise trade	397	342	598	–282	–301	–376	115	41	222
<i>Geographical distribution:</i>	<i>In percentages</i>								
—Export sales	90.1	90.7	93.0	9.9	9.3	7.0	100.0	100.0	100.0
Imports of merchandise	79.8	82.4	84.0	20.2	17.6	16.0	100.0	100.0	100.0
Imports of capital goods	82.9	85.7	79.3	17.1	14.3	21.7	100.0	100.0	100.0
—Total merchandise imports	79.9	82.5	83.9	20.1	17.5	16.1	100.0	100.0	100.0
—Balance on merchandise trade	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

NOTE: Totals may not add or subtract exactly, due to rounding.

The detailed data on the merchandise transactions of the reporting corporations by industry and on the inter-company aspects of these dealings point up the heavy and growing reliance of most industry groups on the United States as both a market for their products and as a source of supply for their imported needs. They also show the important role inter-company trade plays in the international merchandise transactions of the respondents and the variations in the extent of the dependence of the individual industries on foreign markets and supplies. Finally, the data show the major contributions made by the transportation equipment industry to the gains achieved over the 1967 to 1969 period in the total merchandise exports and imports of the respondents, to the increases recorded in their two-way trade with the United States, and to the growth in the importance of their trade with affiliates abroad, particularly those in the United States. Thus, the transportation equipment industry accounted for \$1.4 billion of the \$1.7 billion gain shown in total exports between 1967 and 1969, for \$1.3 billion of the \$1.6 billion rise in sales to the United States, and for \$1.3 billion of the \$1 1/2 billion increase in exports to associated companies. On the import side, this industry was responsible for some \$1 1/4 billion of the \$1.6 billion rise in total purchases abroad, for about \$1 1/4 billion of the \$1 1/2 billion higher imports from the United States, and for \$1.1 billion of the \$1.4 billion increase in purchases from affiliates in foreign countries. If the transactions of the transportation equipment industry, which were affected notably by the operations of the Canada-United States automotive agreement, are excluded from these totals it is apparent that for the other groups as a whole the reliance both on the United States and on affiliates in that country as a market and as a

source of supply is considerably less than is suggested by the totals. For this group of industries, about 69 per cent of all exports went to the United States in 1969 compared with 65 per cent in 1967. Of exports to affiliates, about 85 per cent went to those in the United States in both 1967 and 1969. On the import side, about two-thirds of requirements came from the United States, and of imports from affiliates, 64 per cent were supplied by related companies in the United States. These proportions changed very little between 1967 and 1969.

Non-merchandise Transactions, 1967 to 1969

The reporting corporations also engaged in a number of current transactions in the 1967 to 1969 period other than the sales and purchases of goods. These non-merchandise transactions have been discussed in general terms in Section 1 under the headings of 'income from sources other than operating sales' and of 'current expenses other than for purchases of merchandise', and the international and inter-company aspects of these dealings are treated here.

The income from other current transactions originating abroad amounted to only about \$67 million in 1967 and to \$91 million two years later. Most of these amounts came from foreign countries other than the United States, i.e. \$44 million or 66 per cent in 1967 and \$65 million or 71 per cent in 1969. In both years the bulk of these receipts came from sources not affiliated with the reporting subsidiaries, \$54 million in 1967 and \$72 million in 1969. The two most important components of this type of income in both years were dividends received and interest receipts; dividends amounted to \$32 million in 1967 and to

SUMMARY TABLE 16. — Export Sales to the United States and to All Foreign Countries, and to Parents and Affiliates in the United States and in All Foreign Countries, All Reporting Corporations, by Industry, 1967 and 1969

Industry	1967					
	Total export sales			Export sales to parents, etc.		
	To United States	To all foreign countries	Per cent to United States	In United States	In all foreign countries	Per cent in United States
	\$ million	\$ million	%	\$ million	\$ million	%
Mining and primary metals	300	410	73.2	239	276	86.6
Gas and oil	347	399	87.0	236	266	88.7
Machinery and metal fabricating	119	175	68.0	115	157	73.2
Transportation equipment	1,634	1,748	93.5	1,417	1,471	96.3
Electrical products	98	161	60.9	59	72	81.9
Chemical products	76	99	76.8	43	58	74.1
Food and beverage	42	117	35.9	27	41	65.9
Pulp and paper	685	817	83.8	418	445	93.9
Other manufacturing	42	92	45.7	27	43	62.8
Wholesale trade	121	543	22.3	115	166	69.3
Other non-manufacturing	13	14	92.9	10	10	100.0
Total	3,477	4,575	76.0	2,707	3,005	90.1

Industry	1969					
	Total export sales			Export sales to parents, etc.		
	To United States	To all foreign countries	Per cent to United States	In United States	In all foreign countries	Per cent in United States
	\$ million	\$ million	%	\$ million	\$ million	%
Mining and primary metals	298	430	69.3	247	271	91.1
Gas and oil	509	569	89.5	355	383	92.7
Machinery and metal fabricating	181	232	78.0	175	210	83.3
Transportation equipment	2,965	3,138	94.5	2,737	2,790	98.1
Electrical products	103	174	59.2	57	68	83.8
Chemical products	104	152	68.4	46	79	58.2
Food and beverage	44	96	45.8	31	38	81.6
Pulp and paper	734	936	78.4	433	474	91.4
Other manufacturing	56	124	45.2	28	56	50.0
Wholesale trade	107	405	26.4	96	154	62.3
Other non-manufacturing	13	14	92.9	11	11	100.0
Total	5,115	6,270	81.6	4,216	4,534	93.0

NOTE: Totals may not add exactly, due to rounding.

\$46 million in 1969, about one-half the totals in both cases, and interest receipts totalled \$8 million in the earlier year and \$14 million in the later one. Almost all of the dividends came from foreign countries other than the United States, and these sources accounted for \$5 million of the interest payments in 1967 and \$10 million of the total in 1969. More details on this type of income are given in Summary Table 4 and Appendix III.

Payments abroad for other than the purchase of merchandise amounted to \$721 million in 1967 and \$827 million in 1969. Dividends were the largest item in both these years, amounting to \$321 million in the earlier year and to \$318 million in the latter, and approximately 87 per cent of these went to the United States in both years. Other important items were interest payments, royalties paid, and expenditures on managerial and administrative services

SUMMARY TABLE 17. — Merchandise Imports from the United States and from All Foreign Countries, and from Parents and Affiliates in the United States and in All Foreign Countries, All Reporting Corporations, by Industry, 1967 and 1969

1967						
Industry	Total merchandise imports			Imports from parents, etc.		
	From United States	From all foreign countries	Per cent from United States	In United States	In all foreign countries	Per cent in United States
	\$ million	\$ million	%	\$ million	\$ million	%
Mining and primary metals	85	95	89.5	55	62	88.7
Gas and oil	130	468	27.8	93	407	22.9
Machinery and metal fabricating	320	384	83.3	261	317	82.3
Transportation equipment	1,902	1,966	96.7	1,348	1,397	96.5
Electrical products	187	221	84.6	126	155	81.3
Chemical products	180	213	84.5	112	128	87.5
Food and beverage	135	210	64.3	63	84	75.0
Pulp and paper	30	38	78.9	9	15	60.0
Other manufacturing	173	208	83.2	113	130	86.9
Wholesale trade	127	207	61.4	113	179	63.1
Other non-manufacturing	38	58	65.5	17	17	100.0
Total	3,307	4,068	81.3	2,310	2,891	79.9

1969						
Industry	Total merchandise imports			Imports from parents, etc.		
	From United States	From all foreign countries	Per cent from United States	In United States	In all foreign countries	Per cent in United States
	\$ million	\$ million	%	\$ million	\$ million	%
Mining and primary metals	65	79	82.3	54	61	88.5
Gas and oil	209	574	36.4	153	503	30.4
Machinery and metal fabricating	382	421	90.7	306	336	91.1
Transportation equipment	3,167	3,232	98.0	2,489	2,546	97.8
Electrical products	192	272	70.6	134	189	70.9
Chemical products	221	272	81.3	138	172	80.2
Food and beverage	122	210	58.1	58	96	60.4
Pulp and paper	40	60	66.7	8	14	57.1
Other manufacturing	200	236	84.7	140	166	84.3
Wholesale trade	144	252	57.1	124	215	57.7
Other non-manufacturing	54	76	71.1	14	14	100.0
Total	4,796	5,684	84.4	3,618	4,312	83.9

NOTE: Totals may not add exactly, due to rounding.
Total merchandise imports include capital equipment items.

including directors' fees. These amounted to \$93 million, \$55 million and \$29 million respectively in 1967 and \$91 million, \$76 million and \$30 million respectively in 1969. As Summary Table 18 shows, the great bulk of these major payments went to the United States in both years, i.e. between 90 per cent and 97 per cent in 1967 and between

86 per cent and 97 per cent in 1969; most of the other types of lesser payments went to the United States as well.

Most of the payments made abroad by the respondents for services went to parents or affiliated companies. In 1967, \$606 million of the \$721 million total was paid to

associated companies and in 1969, \$675 million of the \$827 million was consigned to related companies. Affiliates in the United States received the bulk of these payments, \$537 million or 88½ per cent of the total in 1967 and \$608 million or 90 per cent of the total two years later. The major items of this type of expenditure were dividends, \$310 million in 1967 and \$306 million in 1969, interest in the amounts of \$60 million and \$52 million, respectively, and royalties which totalled \$46 million in

1967 and \$66 million in 1969. Of these amounts, \$271 million, \$51 million and \$43 million, respectively, went to parents and affiliates in the United States in 1967, and \$270 million, \$42 million and \$61 million in that order, in 1969. As may be seen from Summary Tables 18 and 19, in the cases of dividends, fees for managerial and professional services, royalties and research expenditures, affiliates were by far the main beneficiaries of the outlays made for these purposes by the respondents.

SUMMARY TABLE 18. — Geographical Distribution of Other Payments Abroad, by Major Item, All Reporting Corporations, 1967 and 1969

Item of payment abroad	1967			1969		
	To United States	To other foreign countries	To all foreign countries	To United States	To other foreign countries	To all foreign countries
<i>Amounts:</i>	<i>In millions of dollars</i>					
Interest	84	9	93	78	13	91
Royalties paid	50	5	55	69	7	76
Managerial and administrative charges, including directors' fees	28	1	29	29	1	30
Rent on property and equipment	9	2	11	8	2	10
Charges for research and development	14	1	15	19	4	23
All other payments	177	20	197	256	24	279
Total non-merchandise payments, excluding dividends	362	38	400	458	51	509
Dividends	279	42	321	279	39	318
Total non-merchandise payments, including dividends	640	81	721	737	90	827
<i>Proportions:</i>	<i>In percentages</i>					
Interest	90.3	9.7	100.0	85.7	14.3	100.0
Royalties paid	90.9	9.1	100.0	90.8	9.2	100.0
Managerial and administrative charges, including directors' fees	96.6	3.4	100.0	96.7	3.3	100.0
Rent on property and equipment	81.8	18.2	100.0	80.0	20.0	100.0
Charges for research and development	93.3	6.7	100.0	82.6	17.4	100.0
All other payments	89.8	10.2	100.0	91.4	8.6	100.0
Total non-merchandise payments, excluding dividends	90.5	9.5	100.0	90.0	10.0	100.0
Dividends	86.9	13.1	100.0	87.7	12.3	100.0
Total non-merchandise payments, including dividends	88.8	11.2	100.0	89.1	10.9	100.0

NOTE: Totals may not add or subtract exactly, due to rounding.

SUMMARY TABLE 19. — Geographical Distribution of Other Payments to Parents and Affiliates Abroad, by Major Item, All Reporting Corporations, 1967 and 1969

Item of payment to parents and affiliates abroad	1967			1969		
	In United States	In other foreign countries	In all foreign countries	In United States	In other foreign countries	In all foreign countries
<i>Amounts:</i>	<i>In millions of dollars</i>					
Interest	51	9	60	42	10	52
Royalties paid	43	3	46	61	5	66
Managerial and administrative charges, including directors' fees	28	1	29	29	1	29
Rent on property and equipment	1	—	1	2	—	2
Charges for research and development	11	1	12	13	1	14
All other payments	132	16	148	191	15	206
Total non-merchandise payments, excluding dividends	266	30	296	338	31	369
Dividends	271	39	310	270	36	306
Total non-merchandise payments, including dividends	537	69	606	608	67	675
<i>Proportions:</i>	<i>In percentages</i>					
Interest	85.0	15.0	100.0	80.8	19.2	100.0
Royalties paid	93.5	6.5	100.0	92.4	7.6	100.0
Managerial and administrative charges, including directors' fees	96.6	3.4	100.0	—	—	—
Rent on property and equipment	100.0	—	100.0	97.5 ⁽¹⁾	2.5 ⁽¹⁾	100.0
Charges for research and development	91.7	8.3	100.0	92.9	7.1	100.0
All other payments	89.2	10.8	100.0	92.7	7.3	100.0
Total non-merchandise payments, excluding dividends	89.9	10.1	100.0	91.6	8.4	100.0
Dividends	87.4	12.6	100.0	88.2	11.8	100.0
Total non-merchandise payments, including dividends	88.6	11.4	100.0	90.1	9.9	100.0

NOTE: Totals may not add or subtract exactly, due to rounding.

(1) Based on 'unrounded' figures.

Current Account Balances, 1967 to 1969⁽¹⁾

Table 2 on the next page summarizes the current international transactions of the reporting corporations for the years 1967 to 1969 and Table 3, which follows, shows these transactions with related companies in foreign countries. As Table 2 shows, the current international transactions of the respondents resulted in current account deficits in all three years; these amounted to \$148 million in 1967, \$187 million in 1968 and to \$150 million in 1969. These adverse overall balances were due chiefly to the large deficits incurred by the respondents in non-merchandise

dealings with the United States. The international transactions of the reporting corporations with related companies abroad resulted in even larger deficits on current account in the three years covered, i.e. \$438 million in 1967, \$609 million in 1968 and \$381 million in 1969. Adverse balances with both the United States and other foreign countries contributed to these totals in 1967 and 1968 but the 1969 total resulted entirely from transactions with the other foreign countries group as there was a \$7 million favourable balance with associated companies in the United States in that year.

(1) For qualifications on this concept of 'current account balances' see footnote on page 28.

TABLE 2. — Summary of Current International Transactions with the United States, with Other Foreign Countries and with All Foreign Countries, All Reporting Corporations, Annually, 1967 to 1969

In millions of dollars

Item	United States			Other foreign countries			All foreign countries		
	1967	1968	1969	1967	1968	1969	1967	1968	1969
Export sales	3,477.4	4,293.8	5,115.3	1,097.7	1,247.0	1,154.6	4,575.1	5,540.8	6,269.9
Merchandise imports	3,102.7	3,995.4	4,627.8	730.8	796.8	854.8	3,833.5	4,792.2	5,482.6
Capital equipment imported	204.8	157.0	168.3	30.0	17.3	33.0	234.8	174.3	201.4
Total import trade	3,307.5	4,152.4	4,796.2	760.8	814.1	887.8	4,068.3	4,966.4	5,683.9
Balance on international merchandise trade	169.9	141.5	319.2	336.9	432.9	266.8	506.8	574.4	585.9
Other current receipts from abroad	22.7	21.6	25.9	43.9	51.7	65.2	66.6	73.3	91.1
Dividends paid abroad	278.5	290.5	278.8	42.3	41.2	39.6	320.8	331.6	318.4
Other current payments abroad	362.0	456.3	458.4	38.2	46.7	50.5	400.2	503.0	508.9
Total current payments abroad	640.5	746.7	737.2	80.5	88.0	90.1	721.0	834.6	827.3
Balance on current international non-merchandise transactions	-617.8	-725.1	-711.3	-36.6	-36.2	-24.9	-654.4	-761.3	-736.2
Total current receipts from abroad	3,500.0	4,315.4	5,141.2	1,141.7	1,298.7	1,219.7	4,641.7	5,614.1	6,361.0
Total current payments abroad	3,947.9	4,899.0	5,533.4	841.3	902.0	977.9	4,789.2	5,801.1	6,511.2
Current account balance ⁽¹⁾	-447.9	-583.6	-392.1	300.3	396.7	241.9	-147.6	-186.9	-150.3

(1) Most of the qualifications on the concept of 'current account balances' used here have been referred to previously and are summed up here. These qualifications include merchandise exports and imports — those made directly by the respondents so that goods sold by them in Canada; and subsequently exported are not included in the export figures. Imported goods purchased from Canadian suppliers are normally excluded from the respondents' merchandise import figures. In addition, the value of imported goods reported by the respondents includes duties, sales taxes and costs of transportation in Canada. Finally, the 'dividends paid abroad' figures do not make any allowance for withholding taxes so they may be up to 15 per cent higher than the actual amounts going abroad.

NOTE: Totals may not add or subtract exactly, due to rounding.

TABLE 3. — Summary of Current International Transactions with Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, Annually, 1967 to 1969

In millions of dollars

Item	United States			Other foreign countries			All foreign countries		
	1967	1968	1969	1967	1968	1969	1967	1968	1969
Export sales	2,706.6	3,413.2	4,215.5	298.8	349.4	318.8	3,005.4	3,762.6	4,534.3
Merchandise imports	2,213.0	3,005.5	3,530.2	560.2	639.7	670.5	2,773.2	3,645.3	4,200.7
Capital equipment imported	96.6	66.2	87.6	20.9	10.8	23.9	117.4	76.9	111.5
Total import trade	2,309.6	3,071.7	3,617.8	581.1	650.5	694.4	2,890.6	3,722.2	4,312.2
Balance on international merchandise trade	397.0	341.5	597.7	-282.2	-301.1	-375.6	114.7	40.5	222.1
Other current receipts from abroad	18.5	16.0	16.8	34.9	43.0	55.1	53.4	59.0	71.9
Dividends paid abroad	271.3	283.1	270.1	38.8	36.5	35.6	310.1	319.5	305.6
Other current payments abroad	266.3	351.7	337.6	29.8	36.7	31.7	296.1	388.4	369.3
Total current payments abroad	537.6	634.8	607.7	68.5	73.1	67.3	606.2	708.0	674.9
Balance on current international non-merchandise transactions	-519.1	-618.8	-590.9	-33.6	-30.2	-12.1	-552.7	-648.9	-603.0
Total current receipts from abroad	2,725.1	3,429.3	4,232.3	333.7	392.4	373.9	3,058.8	3,821.7	4,606.2
Total current payments abroad	2,847.2	3,706.5	4,225.5	649.6	723.6	761.7	3,496.8	4,430.1	4,987.1
Current account balance ⁽¹⁾	-122.1	-277.2	6.9	-315.9	-331.2	-387.7	-438.0	-608.5	-380.9

(1) For qualifications on this concept of 'current account balance' see the footnote on page 28.

NOTE: Totals may not add or subtract exactly, due to rounding.

TABLE 4. — Summary of Current International Transactions with Other Than Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, Annually, 1967 to 1969

In millions of dollars

Item	United States			Other foreign countries			All foreign countries		
	1967	1968	1969	1967	1968	1969	1967	1968	1969
Export sales	770.8	880.6	899.8	798.9	897.6	835.8	1,569.7	1,778.2	1,735.6
Merchandise imports	889.6	989.8	1,097.7	170.6	157.1	184.2	1,060.3	1,146.9	1,281.9
Capital equipment imported	108.2	90.8	80.7	9.1	6.5	9.2	117.3	97.4	89.8
Total import trade	997.9	1,080.7	1,178.4	179.7	163.6	193.4	1,177.6	1,244.3	1,371.8
Balance on international merchandise trade	-227.1	-200.1	-278.6	619.2	734.0	642.4	392.1	533.9	363.8
Other current receipts from abroad	4.2	5.6	9.1	9.0	8.7	10.0	13.2	14.3	19.2
Dividends paid abroad	7.2	7.3	8.8	3.5	4.8	4.0	10.7	12.1	12.8
Other current payments abroad	95.7	104.6	120.8	8.5	10.1	18.8	104.1	114.6	139.6
Total current payments abroad	102.8	111.9	129.6	12.0	14.8	22.8	114.8	126.7	152.4
Balance on current international non-merchandise transactions	-98.7	-106.3	-120.4	-3.0	-6.1	-12.8	-101.6	-112.4	-133.2
Total current receipts from abroad	775.0	886.1	908.9	807.9	906.3	845.8	1,582.9	1,792.5	1,754.7
Total current payments abroad	1,100.7	1,192.5	1,307.9	191.7	178.4	216.2	1,292.4	1,371.0	1,524.1
Current account balance ⁽¹⁾	-325.7	-306.4	-399.0	616.2	727.9	629.6	290.4	421.5	230.6

(1) For qualifications on this concept of 'current account balance' see the footnote on page 28.

NOTE: Totals may not add or subtract exactly, due to rounding.

TABLE 5. — Summary of Current International Non-merchandise Transactions, All Reporting Corporations, by Industry, Annually, 1967 to 1969

Industry	Receipts from abroad			Payments made abroad ⁽¹⁾			Payments abroad as a percentage of total income		
	1967	1968	1969	1967	1968	1969	1967	1968	1969
	<i>In millions of dollars</i>						<i>In percentages</i>		
Mining and primary metals	6	4	9	58	61	33	6.3	6.1	3.3
Gas and oil	19	22	26	177	196	229	4.8	4.9	5.3
Machinery and metal fabricating	2	3	2	48	69	93	3.1	4.3	5.3
Transportation equipment	21	26	23	132	198	160	2.8	3.5	2.5
Electrical products	1	1	1	37	34	44	2.8	2.4	2.9
Chemical products	7	7	6	74	73	72	5.3	4.9	4.4
Food and beverage	2	2	3	48	43	35	2.8	2.4	1.8
Pulp and paper	4	3	12	79	63	64	5.4	4.1	3.8
Other manufacturing	5	4	7	39	58	42	2.9	4.0	2.7
Wholesale trade	—	1	1	6	11	11	0.6	1.0	1.0
Other non-manufacturing	—	—	1	23	29	44	1.1	1.4	1.9
Total	67	73	91	721	835	827	3.4	3.6	3.3

(1) Includes dividend payments.

SECTION 3. — FINANCING

Major Sources of Funds of the Reporting Corporations, 1964 to 1969

The reporting corporations obtained the funds required for such purposes as plant and equipment expansion or modernization, inventory accumulation and the extension of credit from two main sources in the 1964 to 1969 period. These were the internal generation of funds through earnings retained in the business after income taxes and in some cases, dividend payments, and through such business reserves as depreciation, depletion and similar allowances. The other major source was through borrowing or the sale of equity externally.

The new funds available to the reporting corporations amounted to about \$1.2 billion annually in 1965, 1966 and 1967, declined to about \$1/2 billion in 1968 and rose again to just over \$1 billion in 1969. Current retained earnings contributed between \$420 million and \$681 million of

these totals with the remainder coming from net borrowings and sales of equity. This latter provided around \$700 million yearly in 1965, 1966 and 1967, yielded a disinvestment of \$91 million net in 1968 and added \$353 million to financing funds in 1969.

Depreciation and similar allowances totalled \$828 million in 1965 and rose modestly each year thereafter, amounting to \$981 million in 1969. Thus, receipts from new financing including depreciation and similar reserves, brought the total funds available to the respondents for financing operations up to about \$2 billion in all years except 1968 when the aggregate was only \$1½ billion. Despite some fluctuation in the overall totals, funds generated from internal sources increased in importance in the respondents' financing each year in the period, contributing \$1.2 billion in 1965, \$1.3 billion in 1966, \$1.4 billion in 1967, \$1.6 billion in 1968 and \$1.7 billion in 1969.

SUMMARY TABLE 20. — Financing, by Major Sources, All Reporting Corporations, Annually, 1965 to 1969

In millions of dollars

Item	1965	1966	1967	1968	1969
Current retained earnings	420	451	514	633	681
Net funds from borrowing and sale of equity	780	734	677	-91	353
Total new financing	1,200	1,185	1,191	542	1,034
Depreciation and similar reserves	828	831	906	975	981
Total funds available	2,028	2,016	2,097	1,517	2,015
Net external funds	-780	-734	-677	91	-353
Funds generated internally by the respondents	1,248	1,282	1,420	1,608	1,662

As Summary Table 21 shows, considerable changes took place in both the geographical origins and the sources of the net external funds raised by the reporting corporations during the 1965 to 1969 period. In the first three years of the period, residents of the United States and particularly parents and affiliates, made important but diminishing contributions to the net external funds of the reporting subsidiaries. Thus, in 1965 United States residents supplied \$557 million of the \$780 million total, with \$410 million coming from associated companies in that country; in 1966 the total funds coming from the United States amounted to \$449 million, of which \$342 million was from affiliates; and in 1967 the total originating in the United States was down to \$220 million with the \$222 million coming from associated firms being reduced by the \$2 million decline in funds from non-affiliated sources. Sources in Canada, mostly not affiliated with the

respondents, increased their contributions both in absolute and relative terms up to and including 1967, in which year they accounted for \$446 million or two-thirds of the total from all sources, and with non-affiliates supplying \$414 million.

In 1968 there was a net reduction in the respondents' liabilities amounting to \$91 million; this was mainly due to a reduction of \$224 million in liabilities to parents and affiliates in the United States. This decline was only partly offset by the \$77 million obtained from Canadian sources, the \$37 million coming from overseas countries and the \$19 million from non-affiliated sources in the United States. In 1969 there was a net inflow of funds from external sources of \$353 million, with \$273 million of this coming from Canadian residents and \$86 million from United States residents, other than affiliated companies.

The increased reliance upon Canadian sources of financing by the respondents and the lesser dependence upon sources in the United States, appear to be the result of a number of developments. These include the decline in the overall needs of the subsidiaries for external funds, a preference for short-term rather than long-term financing, the cost and availability of funds in Canada relative to those in the United States and elsewhere, and, possibly, the

impact of the United States Government's guidelines on foreign direct investment. While normal financial transactions with Canada were specifically exempted from the United States investment controls, their existence may have encouraged foreign subsidiaries in Canada to seek sources of financing in this country rather than resorting to the United States capital markets as in the past.

SUMMARY TABLE 21. — Geographical Origins and Sources of Net External Funds, All Reporting Corporations, Annually, 1965 to 1969

In millions of dollars

Geographical origin and item	1965	1966	1967	1968	1969
<i>United States</i>					
— From parents and affiliates:					
Advances and receivables	314	276	61	–289	–210
Sale of equity	96	66	161	65	213
Sub-total	410	342	222	–224	3
—From other than parents and affiliates:					
Foreign bank loans	51	–14	–18	–25	–28
Other short-term loans	–1	–1	—	–3	—
Bonds and debentures	66	67	46	8	115
Other long-term debt	34	55	–34	32	–33
Sale of equity	–3	—	4	7	32
Sub-total	147	107	–2	19	86
—Total funds from the United States	557	449	220	–205	89
<i>Other foreign countries</i>					
—From parents and affiliates:					
Advances and receivables	–2	–19	–14	34	–82
Sale of equity	8	31	22	15	41
Sub-total	6	12	8	49	–41
—From other than parents and affiliates:					
Foreign bank loans	–2	2	–1	—	7
Other short-term loans	—	—	—	—	10
Bonds and debentures	—	8	7	–16	—
Other long-term debt	—	1	1	5	10
Sale of equity	–1	–6	–4	–1	5
Sub-total	–3	5	3	–12	32
—Total funds from other foreign countries	3	17	11	37	–9
<i>Canada</i>					
—From affiliates:					
Advances and receivables	40	–10	4	5	5
Sale of equity	—	–1	28	–6	—
Sub-total	40	–11	32	–1	5

SUMMARY TABLE 21. (cont'd)

Geographical origin and item	1965	1966	1967	1968	1969
<i>Canada (cont'd)</i>					
—From other than affiliates:					
Bank loans	148	211	253	–12	204
Other short-term loans	–21	28	–12	37	81
Bond and debentures	–2	27	85	53	12
Other long-term debt	17	8	34	16	–12
Sale of equity	38	5	54	–16	–17
Sub-total	180	279	414	78	268
—Total funds from Canada	220	268	446	77	273
<i>All countries</i>					
—From parents and affiliates:					
Advances and receivables	352	247	51	–250	–287
Sale of equity	104	96	211	74	254
Sub-total	456	343	262	–176	–33
—From other than parents and affiliates:					
Bank loans	197	199	234	–37	183
Other short-term loans	–22	27	–12	34	91
Bonds and debentures	64	102	138	45	127
Other long-term debt	51	64	1	53	–35
Sale of equity	34	–1	54	–10	20
Sub-total	324	391	415	85	386
—Total from all countries	780	734	677	–91	353

The extent to which the reporting subsidiaries relied upon affiliated companies for their financing requirements varied considerably over the 1965 to 1969 period with the heavy degree of dependence in this respect, evident in the earlier years, diminishing steadily and with funds from these sources falling below the level of the previous year in both 1968 and 1969. In 1965, \$456 million of the \$780 million overall increase in external funds came from parents and affiliates, mainly in the form of advances and receivables, and largely from associates in the United States, and this pattern is true for 1966 as well when \$343 million of the \$734 million total was supplied by related companies. However, from 1967 on, the reporting corporations relied less and less on affiliates for their financing needs, associated companies accounting for only \$262 million of that year's overall increase of \$677 million and with net outflows of funds to foreign affiliates in both 1968 and 1969 amounting to \$176 million and \$33 million respectively. The outflows in 1968 were primarily due to a reduction in liabilities to foreign affiliates by the transportation equipment industry of \$150 million and by the mining and primary metals industry of \$113 million which were only partially offset by inflows of funds in other sectors. In 1969, the net outflows to affiliates were

concentrated in the gas and oil and transportation equipment fields.

Sources other than affiliated companies supplied \$324 million more in external financing funds in 1965 than in 1964, \$391 million more in 1966 than in 1965, a peak \$415 million more in 1967 than in the previous year, and further rises of \$85 million in 1968 and of \$386 million in 1969. Most of these increases stemmed from large rises in bank loans and in receipts from the sale of bonds and debentures. Bank loans increased by \$197 million in 1965, \$199 million in 1966, and by \$234 million in 1967. They fell by \$37 million in 1968 from the 1967 level, and then increased by \$183 million in 1969. Receipts from bonds and debentures show year-to-year increases throughout the whole period, the rises being \$64 million in 1965, \$102 million in 1966, \$138 million in 1967, \$45 million in 1968, and \$127 million in 1969. Net funds from the sale of equity in the respondents' enterprises also contributed to the increased external funds acquired to the extent of amounts ranging from \$64 million in 1968 to \$265 million in 1967 but most of these sales were to parent and affiliated companies abroad. Thus, in 1965, funds from the sale of equity amounted to \$138 million but \$104 million

of this came from sales to parents and affiliates abroad and in 1966 the \$95 million from equity sales comprised \$96 million in sales to foreign affiliates less a \$1 million decline in equity sales to non-associated investors. As Summary Table 21 shows, the pattern is much the same for all years in the period except for 1967 when equity sales to residents of Canada accounted for \$82 million of the overall equity sales of \$265 million.

Financing by the Reporting Corporations, 1967 to 1969

More details on the financing operations of the reporting subsidiaries for the years 1967, 1968 and 1969 are given in Summary Tables 22 to 24 below, in Tables 6 to 8 at the end of this section, and in Appendix VI.

Table 6 shows the contributions made by current retained earnings and by depreciation and similar reserves to the current savings of the respondents on an individual industry basis. The data indicate that both in aggregate and for most individual industry groups, depreciation and similar allowances comprise the larger and generally more stable part of current savings. In 1967, these allowances totalled \$906 million or 64 per cent of the \$1.4 billion current savings; in 1968, the figure was \$975 million representing about 61 per cent of the \$1.6 billion total; and in 1969, the reserves for depreciation and similar purposes amounted to \$981 million, the equivalent of 59 per cent the year's current savings. In 1967, nine of the 11 industry groups had higher depreciation and similar allowances than retained earnings, the excesses ranging from \$93 million for the gas and oil industry down to \$19 million for the electrical products group. The two exceptions were the wholesale trade and the other non-manufacturing groupings with the former reporting retained earnings of \$13 million

and reserves of \$7 million, and the latter showing retained earnings of \$50 million and reserves of \$33 million. In 1968 and 1969, only one industry group, the other manufacturing class, had higher retained earnings than depreciation and similar reserves, reporting retained earnings of \$56 million and \$52 million, respectively, and reserves of \$34 million and \$37 million, in that order. Despite considerable variation from industry to industry and from year to year for the same industries, the data suggest a tendency towards keeping more funds in the business as retained earnings, i.e. five groups put aside more each year in the period than in the previous one and two others show higher retained earnings in 1969 than in 1967 but lower in 1968 than in 1967. Depreciation reserves, as might be expected, tended to fluctuate within narrow limits from year to year with nine groups having higher totals in 1969 than in 1967 and the other two showing reserves only modestly lower than the level of the earlier year.

The two components of funds available to the respondents for financing, current savings and net external funds acquired, are shown for the 11 individual industry groups for 1967, 1968 and 1969, in the table below. In 1967, the current savings of the reporting subsidiaries, that is their retained earnings plus amounts put aside as depreciation and similar reserves, aggregated \$1.4 billion and an additional net \$677 million was obtained from external sources. In that year, all of the 11 industries show increases in the amounts of funds acquired from external sources but, with the single exception of the electrical products group, they relied upon internally generated funds for the major part of their total financing needs. The excess of their own current savings over funds acquired externally ranged from \$233 million in the case of the gas and oil

SUMMARY TABLE 22. — Current Savings and Net External Funds, All Reporting Corporations, Annually, 1967 to 1969

In millions of dollars

Industry	1967			1968			1969		
	Current savings	Net external funds	Total	Current savings	Net external funds	Total	Current savings	Net external funds	Total
Mining and primary metals	119	47	166	130	—95	35	139	—49	90
Gas and oil	405	172	577	450	136	586	410	122	532
Machinery and metal fabricating	131	37	168	139	30	169	144	60	204
Transportation equipment	252	131	383	323	—227	96	322	13	335
Electrical products	63	65	128	74	1	75	67	50	117
Chemical products	89	40	129	104	58	162	113	23	136
Food and beverage	59	53	112	72	17	89	87	9	96
Pulp and paper	105	98	203	129	—32	97	162	44	206
Other manufacturing	94	7	101	81	38	119	112	13	125
Wholesale trade	20	19	39	16	—5	11	17	29	46
Other non-manufacturing	83	8	91	90	—12	78	89	39	128
Total	1,420	677	2,097	1,608	—91	1,517	1,662	353	2,015

group to \$1 million for the wholesale trade classification. In 1968, the position was quite different; the total current savings of the respondents amounted to \$1.6 billion but this was offset to the extent of \$91 million by a reduction of \$91 million in external liabilities. In 1969, the total funds available to the respondents for financing was \$2 billion, made up of \$1.7 billion in current savings and a net \$353 million obtained from external sources. Ten of the 11 industries acquired net funds externally, the exception being the mining and primary metals group. In all three years, the gas and oil industry had the largest funds available for financing, over \$ 1/2 billion in each case and with more than seven-tenths coming from internal sources; the transportation equipment was second in both 1967 and 1969, with \$383 million and \$335 million, respectively, and the pulp and paper industry ranked third in both these years, with \$203 million and \$206 million, in that order.

Investment in Foreign and Domestic Affiliates, 1967 to 1969

The respondents reported substantial investments in associated companies both abroad and in Canada. The returns show that the reporting subsidiaries had over \$1.3 billion in such investments in 1969, \$667 million in affiliates outside of Canada and \$684 million in associated

enterprises in Canada. Their financial stake in parents and affiliates in the United States in 1969 was \$434 million, or about two-thirds of the total of such investment outside of Canada. Little change appears to have taken place in this type of investment over the 1967 to 1969 period; the total increased only very slightly, by \$31 million, comprising a rise of \$66 million in investment in associates in the United States and declines of \$12 million in such investments in other foreign countries, and of \$23 million in the case of Canada.

There were some minor shifts in the type of investment making up the holdings of the reporting Canadian subsidiaries in affiliates. While the total invested in the shares of affiliates outside of Canada stood at \$167 million in both 1967 and 1969, there had been changes in the geographical distribution of this investment, with the holdings of shares in affiliates in the United States showing an increase of \$16 million to \$50 million and investment in shares of associates in other foreign countries showing a decline of the same amount, from \$133 million to \$117 million. Advances to and receivables due from parents and affiliates abroad rose from \$446 million in 1967 to \$500 million two years later, with the United States portion increasing by \$50 million and that of other foreign countries, by \$4 million. The respondents' investment in

SUMMARY TABLE 23. — Investments in Parents and Affiliates in the United States, in Other Foreign Countries, in Canada and in All Countries, All Reporting Corporations, Annually, 1967 to 1969

In millions of dollars				
Country and type of investment	1967	1968	1969	
<i>United States:</i>				
Purchases of shares in affiliates	34	36	50	
Advances to and receivables due from parents and affiliates	334	366	384	
Total due from or invested in parents and affiliates	368	402	434	
<i>Other foreign countries:</i>				
Purchases of shares in affiliates	133	125	117	
Advances to and receivables due from parents and affiliates	112	104	116	
Total due from or invested in parents and affiliates	245	229	233	
<i>All foreign countries:</i>				
Purchases of shares in affiliates	167	161	167	
Advances to and receivables due from parents and affiliates	446	470	500	
Total due from or invested in parents and affiliates	613	631	667	
<i>Canada:</i>				
Purchases of shares in affiliates	311	314	387	
Advances to and receivables due from parents and affiliates	396	305	297	
Total due from or invested in parents and affiliates	707	619	684	
<i>All Countries:</i>				
Purchases of shares in affiliates	478	475	554	
Advances to and receivables due from parents and affiliates	842	775	797	
Total due from or invested in parents and affiliates	1,320	1,250	1,351	

shares of related firms in Canada amounted to \$387 million in 1969, \$76 million more than in 1967 while the total of advances to and receivables due from Canadian affiliates stood at \$297 million in 1969, \$99 million less than in 1967.

Quarterly Data on Selected Liabilities and Paid-in Capital, 1967 to 1969

The participating foreign subsidiaries have been providing certain information on a quarterly basis as well as submitting the more comprehensive annual returns. The quarterly data cover certain balance-sheet information expressed in dollar terms. These comprise bank loans outstanding, amounts owing parents and affiliates, short-term loans outstanding, bonds and debentures outstanding, other long-term debt owed, the paid-in capital held by parents and affiliates and the paid-in capital held by non-affiliated investors. These data are shown on a geographical basis and are as at the end of the quarter covered. Summary Table 24 presents this information for 12

successive quarters beginning with the first quarter of 1967 and ending with the fourth quarter of 1969. Table 8 at the end of this section provides details by type of liability and geographical distribution as at the ends of 1967, 1968 and 1969.

The total debt and capital stock outstanding of the reporting subsidiaries amounted to \$8.9 billion at the end of the fourth quarter of 1969, \$696 million more than at the end of the first quarter of 1967. Most of this rise took place in transactions with residents of Canada, i.e. \$552 million, although the total owed or due residents of foreign countries did increase by \$144 million, of which \$94 million was with investors in the United States and \$50 million with those in other foreign countries. As a result of these developments, the share of the total debt owing and capital stock outstanding held in Canada rose from 31½ per cent at the end of the first quarter of 1967 to 35.3 per cent at the end of 1969 while the share held in the United States declined from 52.1 per cent to 49 per cent, and that held in other foreign countries fell from 16.4 per cent to 15.7 per cent, over the period.

SUMMARY TABLE 24. — Selected Liabilities and Paid-in Capital Balances with Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, by Quarters, 1967 to 1969

In millions of dollars

Year and quarter	with residents of							
	the United States		Other foreign countries		Canada		All countries	
	Total	Change from previous quarter	Total	Change from previous quarter	Total	Change from previous quarter	Total	Change from previous quarter
1967								
First quarter	4,273	—	1,344	—	2,588	—	8,205	—
Second quarter	4,324	51	1,460	117	2,593	5	8,377	173
Third quarter	4,402	78	1,355	—105	2,725	132	8,482	105
Fourth quarter	4,484	82	1,365	10	2,790	65	8,639	157
1968								
First quarter	4,383	—101	1,381	16	2,807	17	8,571	—68
Second quarter	4,389	6	1,395	14	2,823	16	8,607	36
Third quarter	4,426	37	1,394	—1	2,870	47	8,690	83
Fourth quarter	4,278	—148	1,403	9	2,867	—3	8,548	—142
1969								
First quarter	4,166	—112	1,416	13	2,860	—7	8,442	—106
Second quarter	4,189	23	1,416	—	2,936	76	8,541	99
Third quarter	4,310	121	1,420	4	3,019	83	8,749	208
Fourth quarter	4,367	57	1,394	—26	3,140	121	8,901	152

NOTE: Totals may not add or subtract exactly, due to rounding.

Changes from quarter to quarter in the liabilities owing and the paid-in capital balances outstanding with all countries fluctuated within fairly narrow limits during the period covered, i.e. from a decline of \$142 million to an increase of \$208 million. Of the 11 changes shown, eight represented increases and three declines from the level of the previous quarter. In the case of Canada, there were nine increases which ranged from \$5 million to \$132 million and two declines, one of \$3 million and one of \$7 million. The changes in the total held by United States residents

comprised eight rises and three decreases, the gains ranging from between \$6 million to \$121 million and the declines between \$101 million and \$148 million; these variations are considerably greater than those shown either for Canada or for foreign countries other than the United States but the totals involved are also considerably larger. Finally, holdings in third countries increased between seven of the quarters covered, declined between three of them, and showed no change in one instance with the rises ranging from \$4 million to \$117 million and the decreases from \$1 million to \$105 million.

TABLE 6. — Current Savings, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Industry	1967				1968				1969			
	Current retained earnings	Depreciation and similar reserves	Current savings	Current retained earnings	Depreciation and similar reserves	Current savings	Current retained earnings	Depreciation and similar reserves	Current savings	Current retained earnings	Depreciation and similar reserves	Current savings
Mining and primary metals	39	80	119	50	80	130	61	78	139			139
Gas and oil	156	249	405	186	264	450	139	271	410			410
Machinery and metal fabricating . .	55	76	131	40	99	139	46	98	144			144
Transportation equipment	92	160	252	146	177	323	156	166	322			322
Electrical products	22	41	63	23	51	74	19	48	67			67
Chemical products	18	71	89	32	72	104	34	79	113			113
Food and beverage	19	40	59	36	36	72	51	36	87			87
Pulp and paper	17	88	105	35	94	129	68	94	162			162
Other manufacturing	33	61	94	24	57	81	49	63	112			112
Wholesale trade	13	7	20	5	11	16	6	11	17			17
Other non-manufacturing	50	33	83	56	34	90	52	37	89			89
Total	514	906	1,420	633	975	1,608	681	981	1,662			

TABLE 7. — Sources and Geographical Origins of Net External Funds, All Reporting Corporations, 1968 and 1969

In millions of dollars					
Year and source of financing	From the United States	From other foreign countries	From all foreign countries	From Canada	From all countries
1968					
From parents and affiliates:					
Loans, advances and other credits	-288	34	-254	5	-249
Investment in equity	64	15	79	-6	73
Sub-total	-224	49	-175	-1	-176
From other sources:					
Loans and other credits	12	-11	1	94	95
Investment in equity	6	—	6	-16	-10
Sub-total	18	-11	7	78	85
Total	-206	38	-168	77	-91
1969					
From parents and affiliates:					
Loans, advances and other credits	-211	-81	-292	5	-287
Investment in equity	214	40	254	—	254
Sub-total	3	-41	-38	5	-33
From other sources:					
Loans and other credits	54	27	81	285	366
Investment in equity	32	5	37	-17	20
Sub-total	86	32	118	268	386
Total	89	-9	80	273	353

NOTE: Figures shown are changes between the ends of the calendar years 1967 to 1969, and represent the *net* financing during the years 1968 and 1969.

TABLE 8. — Selected Liabilities Owing to, and Paid-in Capital Held by Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, Year-ends, 1967 to 1969

In millions of dollars					
Type of liability owing	Amount owing or due			Change from	
	1967	1968	1969	1967	1968
Residents of the United States					
Canadian chartered bank loans	0.4	10.6	8.8	10.2	-1.8
Foreign bank loans	179.1	144.1	117.9	-34.9	-26.3
Due parents and affiliates	1,901.8	1,613.3	1,402.9	-288.5	-210.5
Short-term loans	3.6	0.2	0.6	-3.4	0.4
Bonds and debentures	349.1	357.6	472.6	8.4	115.0
Other long-term debt	168.2	199.9	166.5	31.7	-33.4
Paid-in capital by parents and affiliates	1,807.9	1,872.5	2,086.0	64.6	213.5
Paid-in capital by others	73.4	79.9	111.9	6.5	32.1
Total	4,483.5	4,278.2	4,367.2	-205.4	89.0

TABLE 8. (cont'd)

Type of liability owing	Amount owing or due			Change from	
	1967	1968	1969	1967	1968
Residents of other foreign countries					
Canadian chartered bank loans	0.5	0.1	2.1	-0.4	2.0
Foreign bank loans	6.8	7.0	11.9	0.1	5.0
Due parents and affiliates	525.8	560.1	478.6	34.3	-81.5
Short-term loans	0.1	—	10.0	-0.1	10.0
Bonds and debentures	16.0	0.1	0.1	-16.0	—
Other long-term debt	2.1	7.1	16.5	5.0	9.5
Paid-in capital by parents and affiliates	759.9	775.0	815.6	15.1	40.5
Paid-in capital by others	54.2	53.8	59.2	-0.4	5.4
Total	1,365.4	1,403.1	1,394.0	37.7	-9.1
Residents of all foreign countries					
Canadian chartered bank loans	0.9	10.7	10.9	9.8	0.2
Foreign bank loans	185.9	151.1	129.8	-34.8	-21.3
Due parents and affiliates	2,427.7	2,173.5	1,881.5	-254.2	-292.0
Short-term loans	3.7	0.2	10.6	-3.5	10.3
Bonds and debentures	365.2	357.7	472.6	-7.5	115.0
Other long-term debt	170.2	207.0	183.0	36.7	-23.9
Paid-in capital by parents and affiliates	2,567.7	2,647.5	2,901.6	79.7	254.1
Paid-in capital by others	127.6	133.7	171.1	6.1	37.4
Total	5,849.0	5,681.3	5,761.1	-167.7	79.9
Residents of Canada					
Canadian chartered bank loans	968.4	956.6	1,160.7	-11.8	204.1
Foreign bank loans	—	—	—	—	—
Due parents and affiliates	132.4	137.3	142.7	4.9	5.4
Short-term loans	117.3	153.9	234.7	36.6	80.8
Bonds and debentures	794.5	847.4	859.8	52.9	12.4
Other long-term debt	175.6	192.1	180.1	16.5	-12.0
Paid-in capital by parents and affiliates	29.8	23.5	23.1	-6.3	-0.5
Paid-in capital by others	571.9	556.0	538.8	-15.9	-17.2
Total	2,790.0	2,866.9	3,139.9	76.9	273.0
Residents of all countries					
Canadian chartered bank loans	969.3	967.3	1,171.7	-2.0	204.3
Foreign bank loans	185.9	151.1	129.8	-34.8	-21.3
Due parents and affiliates	2,560.1	2,310.8	2,024.2	-249.3	-286.6
Short-term loans	121.0	154.2	245.3	33.1	91.2
Bonds and debentures	1,159.7	1,205.0	1,332.4	45.3	127.4
Other long-term debt	345.9	399.1	363.1	53.2	-36.0
Paid-in capital by parents and affiliates	2,597.6	2,671.0	2,924.6	73.4	253.6
Paid-in capital by others	699.5	689.7	709.9	-9.8	20.3
Total	8,639.0	8,548.2	8,901.0	-90.8	352.8

NOTE: Totals may not add or subtract exactly, due to rounding.

SECTION 4. — TRANSACTIONS OF THE REPORTING CORPORATIONS BY COUNTRY OF CONTROL

Transactions, 1964 to 1969

Corporations controlled in the United States comprise about four-fifths of the number of respondents covered in the survey and, as Summary Table 25 shows, these account for moderately higher proportions of the total revenues and expenses reported by all the participating subsidiaries. Respondents with parents in the United States showed revenues of \$12.9 billion in 1964, 83 per cent of the total, and had expenses of \$11.6 billion or 82.4 per cent of the aggregate. In 1969, these companies had revenues of \$21.7 billion which comprised 86.7 per cent of the year's total and incurred expenses totalling \$20.1 billion, the equivalent of 86.4 per cent of the total. The subsidiaries of United States companies reported both higher incomes and higher expenditures for each year in the 1964 to 1969 period and, as noted above, accounted for larger proportions of the totals in each case at the end of the period than at its beginning. Thus, while the revenues and expenses of the respondents with parents in the United Kingdom and in all other foreign countries also tended to increase over the period, they did not keep pace with the advances recorded by the firms controlled in the United States and accounted for smaller proportions of the totals in 1969 than in 1964.

In the case of the subsidiaries controlled in Britain, revenues rose steadily from \$1.6 billion at the beginning of the period to \$1.9 billion in 1967, declined slightly in 1968, and rose again to just over \$2 billion in 1969 but their contribution to the total declined from 10.2 per cent in 1964 to eight per cent in 1969. Expenses shown by these British companies rose from \$1½ billion in 1964 to \$1.8 billion in 1967, eased off in 1968 and increased to \$1.9 billion in 1969 and their share of the aggregate decreased from 10.7 per cent at the commencement of the period to 8.3 per cent at its end. Reporting corporations controlled in foreign countries other than the United States and Britain had revenues of \$1.1 billion in 1964 and \$1.3 billion five years later while their expenses amounted to just under \$1 billion in the earlier year and to about \$1¼ billion in the latter. Both their income and expenditures increased modestly until 1966 but fell off by about 10 per cent in the case of each in 1967, resumed their advance in 1968 and reached peak levels in 1969. As proportions of total income and expenses reported by all the respondents, the shares of these companies controlled in third countries fell from 6.8 per cent to 5.3 per cent over the period in the case of revenue, and from 6.9 per cent to 5.3 per cent for expenses.

SUMMARY TABLE 25. — Total Revenues and Total Expenses, All Reporting Corporations, by Country of Control, Annually, 1964 to 1969

In millions of dollars						
Corporations controlled in:	1964	1965	1966	1967	1968	1969
<i>United States</i>						
Total revenues	12,869	14,468	16,513	18,335	20,040	21,668
Total expenses	11,559	13,191	15,371	17,166	18,493	20,112
<i>Britain</i>						
Total revenues	1,579	1,757	1,838	1,888	1,884	2,008
Total expenses	1,497	1,711	1,824	1,843	1,801	1,931
<i>All other foreign countries</i>						
Total revenues	1,063	1,128	1,141	1,010	1,244	1,336
Total expenses	971	1,028	1,037	908	1,138	1,237
<i>All foreign countries</i>						
Total revenues	15,511	17,353	19,492	21,233	23,168	25,012
Total expenses	14,027	15,930	18,232	19,917	21,432	23,280

The extent of the respondents' dependence upon foreign markets for sales and external suppliers for their purchases is shown in relative terms, by country of control, in Summary Table 26. The data indicate that the reporting corporations controlled in the United States increased the

degree of their reliance both upon export markets and upon foreign sources of supplies steadily throughout the 1964 to 1969 period, with foreign markets absorbing 26.3 per cent of their total sales in 1969 compared with 17½ per cent in 1964 and with foreign suppliers accounting for 39.2 per

cent of their purchases in 1969 versus 25.9 per cent five years earlier. The increase in inter-company trade between affiliates in Canada and parents and associated companies in the United States was a major factor in this development and the greatly expanded two-way trade in automotive goods that has resulted from the Canada-United States automotive pact of 1965 played an important role in this increased dependence upon foreign markets and sources of supply. Subsidiaries with parents in Britain show a somewhat erratic pattern in the proportions of sales and purchases made abroad over the period, with no clear indication of a trend towards a greater or lesser emphasis on

exports or imports. Both exports and imports were of relatively greatest importance at the beginning of the period, with exports accounting for 23.6 per cent of sales and imports for 43.3 per cent of purchases in 1964. The degree of dependency upon external markets and foreign sources of supply exhibited by the respondents controlled in other foreign countries fluctuated within narrow limits during this period also, with the proportions of sales going to export markets ranging from 17.9 per cent in 1967 to 21.7 per cent in 1968 and 1969, and with the proportions of goods obtained abroad varying from 26 per cent in 1967 to 31.6 per cent in 1965.

SUMMARY TABLE 26. — Exports as Proportions of Total Operating Sales and Purchases Abroad as Proportions of Total Purchases, All Reporting Corporations, by Country of Control, Annually, 1964 to 1969

Corporations controlled in	In percentages											
	Export sales as proportions of total sales %						Purchases abroad as proportions of total purchases %					
	1964	1965	1966	1967	1968	1969	1964	1965	1966	1967	1968	1969
United States	17.5	17.1	20.5	22.1	25.0	26.3	25.9	28.9	29.9	32.9	37.7	39.2
Britain	23.6	22.5	19.1	22.7	19.5	21.4	43.3	38.2	29.7	29.8	31.7	35.9
Other foreign countries	19.7	18.5	19.8	17.9	21.7	21.7	30.6	31.6	28.9	26.0	29.0	30.6
All foreign countries	18.3	17.7	20.3	22.0	24.4	25.6	27.8	29.9	29.8	32.3	36.8	38.5

Merchandise Transactions

Corporations controlled in the United States reported sales of \$18 billion in 1967, \$19.7 billion in 1968 and \$21.2 billion in 1969; these accounted for 86.5 per cent, 86.6 per cent and 86.7 per cent respectively of the total sales of all the respondents in those years. Subsidiaries with British parents had sales of \$1.8 billion in both 1967 and 1968 and of just under \$2 billion in 1969, but their share of the total fell from 8.8 per cent in 1967 to 8.1 per cent in both 1968 and 1969. Respondents controlled in other foreign countries increased their sales from slightly less than \$1 billion in 1967 to \$1.2 billion in 1968 and to \$1.3 billion in 1969; these represented 4.7 per cent of total sales in 1967 and about 5.3 per cent of the 1968 and 1969 aggregates.

The respondents, grouped by country of control, all depended heavily upon markets in the United States for their export sales. In 1967, corporations controlled in the United States relied upon sales to the United States for \$3.1 billion or 77½ per cent of their total exports of \$4 billion and this proportion was up to almost 84 per cent in 1969 when \$4.7 billion of their total exports of \$5.6 billion represented shipments to the United States. Subsidiaries of British firms consigned \$254 million of their total foreign sales of \$415 million to the United States in 1967 and \$250

million of their 1969 total of \$423 million, or about three-fifths of the total in each of these years. Respondents with parents in foreign countries other than the United States and Britain, depended upon markets in the United States for \$139 million of their total foreign sales of \$174 million in 1967 and for \$196 million of the 1969 total of \$279 million, but the proportion going to the United States was only about seven-tenths in 1969 compared with about four-fifths two years earlier.

On the purchase side, respondents with parents in the United States reported expenditures for the purchase of goods amounting to \$11 billion in 1967, \$11.7 billion in 1968 and \$12.9 billion in 1969; these represented about 87 per cent of the totals expended on goods by all the respondents in these years. Corporations controlled in Britain had purchases totalling between \$1 billion and \$1.1 billion during this period and these accounted for between 8½ per cent and 7½ per cent of the total purchases by all the reporting firms. Subsidiaries of parents domiciled in all other foreign countries increased their purchases from \$553 million in 1967 to \$752 million in 1968 and to \$808 million in 1969 and their share of the total purchases rose from 4.4 per cent in 1967 to about 5½ per cent in both 1968 and 1969.

SUMMARY TABLE 27. — Total Merchandise Transactions and Transactions with the United States and with Other Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1967 to 1969

In millions of dollars

Year and country of control	Sales				Purchases			
	Export sales to				Purchases from			
	Total ⁽¹⁾	United States	Other foreign countries	All foreign countries	Total ⁽¹⁾	United States	Other foreign countries	All foreign countries
1967								
<i>Corporations controlled in:</i>								
United States	18,014	3,084	902	3,986	10,972	3,143	465	3,608
Britain	1,831	254	161	415	1,060	120	196	316
Other foreign countries	974	139	35	174	553	44	100	144
All foreign countries	20,819	3,477	1,098	4,575	12,585	3,307	761	4,068
1968								
<i>Corporations controlled in:</i>								
United States	19,669	3,906	1,014	4,920	11,725	3,993	429	4,422
Britain	1,848	239	121	360	1,027	114	212	326
Other foreign countries	1,201	149	112	261	752	45	173	218
All foreign countries	22,718	4,294	1,247	5,541	13,504	4,152	814	4,966
1969								
<i>Corporations controlled in:</i>								
United States	21,194	4,669	899	5,568	12,865	4,615	428	5,043
Britain	1,976	250	173	423	1,096	137	257	394
Other foreign countries	1,288	196	83	279	808	44	203	247
All foreign countries	24,458	5,115	1,155	6,270	14,769	4,796	888	5,684

(1) Includes sales and purchases made in Canada, and covers capital equipment as well as other goods.

NOTE: Totals may not add or subtract exactly, due to rounding.

Respondents controlled in the United States relied upon suppliers in that country for the great bulk of their imported needs, i.e. for \$3.1 billion of the total imports of \$3.6 billion in 1967 and for \$4.6 billion of the \$5 billion total in 1969; the proportions of their foreign purchases made in the United States were 87 per cent in 1967 and 91½ per cent in 1969. Part of this increased relative dependency was due, as in the case of the exports of these respondents, to the rapid expansion in two-way trade between Canada and the United States as a result of the automotive agreement. As might be expected, subsidiaries with parents in Britain or in third countries relied largely upon suppliers in foreign countries other than the United States for their imported needs. In 1967, companies controlled in Britain obtained 62 per cent of their \$316 million imports from countries other than the United States, and this proportion had risen to 65 per cent in 1969. Corporations controlled in third countries depended even less upon United States suppliers for their imports,

procuring 69 per cent of the imported goods in other countries in 1967 and 82 per cent two years later.

Each of the three classes of respondents, grouped by country of control, earned surpluses throughout the 1967 to 1969 period on their international merchandise transactions. In all but one instance, the tendency of the respondents, referred to above to rely mainly on United States markets for their export sales and on other countries for much of their imports resulted in deficits being incurred in their trade with countries other than the United States. The exception was in the 1969 dealings of respondents controlled in the United States with residents of that country.

Corporations controlled in the United States earned overall surpluses on the international exchange of goods totalling \$378 million in 1967, \$497 million in 1968 and \$525 million in 1969. In the first two of these years, these surpluses resulted from deficits of \$59 million and of \$88

million incurred in transactions with the United States being offset to the extent of these amounts by the \$437 million and \$585 million respectively, excesses of exports over imports in trade with all other foreign countries. In the other year, 1969, the surplus comprised favourable balances of \$54 million on the exchange of goods with residents of the United States and of \$471 million on dealing with all other foreign countries.

Subsidiaries with parents in Britain had large favourable balances on their merchandise trade with residents of the United States in the 1967 to 1969 period and these more than compensated for the deficits shown in trade with other foreign countries. These British-controlled companies contributed overall surpluses to Canada's balance of international merchandise trade amounting to \$99 million in 1967, \$34 million in 1968 and \$29 million in 1969; in each case, the excess of their exports to the United States over their imports from that country, although diminishing year by year, was still sufficient to offset by these amounts the deficits incurred with other foreign countries.

Respondents controlled in foreign countries other than the United States and Britain, showed surpluses of \$30 million, \$43 million and \$32 million, in that order in the years 1967, 1968 and 1969. In each instance, as in the case

of the companies with British parents, the surpluses earned in transactions with the United States offset the deficits incurred in trade with foreign countries other than the United States.

Non-Merchandise Transactions, by Country of Control, 1967 to 1969

All three groups of respondents, classed by country of control, showed deficits on their international non-merchandise transactions throughout the 1967 to 1969 period, the excess of current service payments over receipts being particularly large in the case of those corporations controlled in the United States, and much smaller but growing, in the case of companies with parents in Britain and in third countries. In 1969, for example, respondents controlled in the United States reported current service payments of \$727 million and receipts of only \$70 million which resulted in an overall deficit of \$657 million, those controlled in Britain reported payments of \$48 million and receipts of \$9 million, yielding an unfavourable balance of \$39 million, and those controlled in other countries reported payments of \$52 million and receipts of \$12 million leaving an adverse balance of \$40 million.

SUMMARY TABLE 28. — Non-merchandise Transactions with the United States and with Other Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1967 to 1969

In millions of dollars

Year and country of control	United States		Other foreign countries		All foreign countries	
	Current receipts	Current payments	Current receipts	Current payments	Current receipts	Current payments
1967						
<i>Corporations controlled in:</i>						
United States	22	614	27	25	49	639
Britain	1	19	7	22	8	41
Other foreign countries	—	7	10	34	10	41
All foreign countries	23	641	44	80	67	721
1968						
<i>Corporations controlled in:</i>						
United States	20	717	35	27	55	744
Britain	1	20	7	25	8	45
Other foreign countries	—	10	10	36	10	46
All foreign countries	21	747	52	88	73	835
1969						
<i>Corporations controlled in:</i>						
United States	25	705	45	22	70	727
Britain	1	19	8	29	9	48
Other foreign countries	—	13	12	39	12	52
All foreign countries	26	737	65	90	91	827

NOTE: Dividends are included in both receipts and payments.
Totals may not add or subtract exactly, due to rounding.

Current Account Balances⁽¹⁾

Summary Table 29 shows the balances incurred on merchandise, non-merchandise and current account by the reporting corporations by country of control during the 1967 to 1969 period. Corporations controlled in the United States had substantial surpluses on the international exchange of goods during this period but the much larger deficits incurred on non-merchandise dealings resulted in overall current account deficits of \$212 million in 1967, \$192 million in 1968 and \$132 million in 1969. Respondents with parents in Britain and those controlled in third countries both had a modest surplus on current account in one year in this period, the British-owned ones in 1967 and the other group in 1968. The favourable

balance in the case of the British subsidiaries amounted to \$66 million, the result of a \$99 million surplus on merchandise trade and \$33 million deficit on the international exchange of services. The current account surplus reported by respondents controlled in third countries was \$7 million, with the \$43 million favourable balance resulting from merchandise trade being offset to this extent by the deficit shown in non-merchandise transactions. The deficits on current account shown by these two groups of respondents in the other two years of the period were quite small, \$2 million and \$10 million in 1968 and 1969 respectively in the case of the British subsidiaries, and \$1 million in 1967 and \$8 million in 1969 for the respondents controlled in third countries.

(1) For qualifications on this concept of 'current account balance' see the footnote on page 28.

SUMMARY TABLE 29. — Merchandise Trade Balance, Non-merchandise Trade Balance and Current Account Balance, with the United States and with Other Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1967 to 1969

In millions of dollars

Year and country of control	Balance on merchandise trade with			Balance on non-merchandise trade with			Current account balance with ⁽¹⁾		
	United States	Other foreign countries	All foreign countries	United States	Other foreign countries	All foreign countries	United States	Other foreign countries	All foreign countries
1967									
<i>Corporations controlled in:</i>									
United States	-59	437	378	-593	3	-590	-651	439	-212
Britain	134	-35	99	-18	-15	-33	116	-50	66
Other foreign countries . .	95	-65	30	-7	-24	-32	87	-88	-1
All foreign countries . .	170	337	507	-618	-36	-654	-448	300	-148
1968									
<i>Corporations controlled in:</i>									
United States	-88	585	497	-698	8	-690	-785	593	-192
Britain	125	-91	34	-18	-18	-36	107	-109	-2
Other foreign countries . .	104	-61	43	-9	-26	-35	95	-87	7
All foreign countries . .	141	433	574	-725	-36	-761	-584	397	-187
1969									
<i>Corporations controlled in:</i>									
United States	54	471	525	-680	23	-657	-625	493	-132
Britain	113	-84	29	-19	-20	-39	95	-105	-10
Other foreign countries . .	152	-120	32	-13	-27	-40	138	-146	-8
All foreign countries . .	319	267	586	-711	-24	-736	-392	242	-150

NOTE: (1) The qualifications on this concept of 'current account balance' are discussed in the footnote on page 28. Totals may not add or subtract exactly, due to rounding.

Transactions with Parents and Affiliates Abroad

The degree of concentration of the respondents' foreign merchandise trade with parents and affiliates in foreign countries varied considerably according to the country of control and from year to year during the 1967 to 1969 period. The reporting corporations with parents in the United States tended to depend more heavily in relative terms upon parents and affiliates abroad for both their export sales and their imported purchases, and the extent of this reliance increased each year in the period. Thus, in 1967 subsidiaries of United States parents consigned 69.4 per cent of their foreign shipments to associated companies abroad, and this proportion rose successively to 72.4 per cent in 1968 and to 77 per cent in 1969 while they obtained 72.3 per cent of their imported needs from affiliated firms in 1967, 76.1 per cent in 1968 and 77.3 per cent in 1969. During this period, British-controlled companies relied upon associates abroad for a much smaller and diminishing proportion of their exports, 33¹/₂ per cent in 1967, 28.6 per cent in 1968 and 27.7 per cent in 1969 but their dependence upon foreign affiliates to meet

their imported requirements rose steadily over the period, from 50.9 per cent in 1967 to 52.8 per cent in 1968 and to 54.3 per cent in 1969. On the other hand, respondents with parents in third countries reduced the relative degree of their dependency upon affiliated companies both as export customers and sources of imports; the proportion of their exports going to associated companies abroad falling from 58 per cent at the beginning of the period to 46 per cent at its end, and their reliance upon affiliated companies for imports, while remaining at very high levels, declined successively from 85.4 per cent in 1967 to 84.4 per cent in 1968 and to 81 per cent in 1969.

In 1967, respondents controlled in the United States exported about \$2.8 billion worth of merchandise to affiliates in foreign countries with the bulk of these, about \$2¹/₂ billion worth, going to associates in the United States, and, in 1969, these subsidiaries shipped goods valued at more than \$4¹/₄ billion to associates abroad, with just over \$4 billion worth going to affiliates in the United States. British-controlled respondents relied upon affiliates for export sales of \$139 million in 1967 and of

SUMMARY TABLE 30. — Merchandise Trade with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1967 to 1969

In millions of dollars

Year and country of control	Exports to parents and affiliates in			Imports from parents and affiliates in		
	United States	Other foreign countries	All foreign countries	United States	Other foreign countries	All foreign countries
1967						
<i>Corporations controlled in:</i>						
United States	2,514	252	2,765	2,269	338	2,607
Britain	104	35	139	14	147	161
Other foreign countries	89	12	101	27	96	123
All foreign countries	2,707	299	3,005	2,310	581	2,891
1968						
<i>Corporations controlled in:</i>						
United States	3,244	318	3,562	3,045	320	3,365
Britain	84	19	103	3	169	172
Other foreign countries	85	12	97	23	161	184
All foreign countries	3,413	349	3,763	3,072	650	3,722
1969						
<i>Corporations controlled in:</i>						
United States	4,020	269	4,289	3,588	310	3,898
Britain	78	40	117	9	205	214
Other foreign countries	118	10	128	21	179	200
All foreign countries	4,216	319	4,534	3,618	694	4,312

NOTE: Totals may not add exactly, due to rounding.

\$117 million in 1969, with sales to associates in the United States accounting for \$104 million and for \$78 million respectively. Reporting corporations controlled in third countries exported merchandise valued at \$101 million in 1967 and at \$128 million in 1969 to parents and affiliates abroad, with the major portion consigned to associated companies in the United States in both years, i.e. \$89 million in 1967 and \$118 million two years later.

The pattern of the respondents' imports from parents and affiliates abroad was somewhat different from that of their export transactions with related companies in foreign countries. In 1967, reporting corporations with parents in the United States relied on such associates for \$2.3 billion of their total imports of \$2.6 billion from affiliates in all foreign countries. Respondents controlled in both Britain and third countries depended on affiliates in foreign countries other than the United States for most of the purchases they made from foreign associates. Those controlled in Britain obtained \$147 million of their \$161 million of such purchases in 1967, and \$205 million of the 1969 total of \$214 million, from associated companies in

foreign countries other than the United States while subsidiaries with parents in third countries relied upon foreign affiliates in countries other than the United States, for \$96 million of their 1967 total purchases from affiliates abroad of \$123 million, and for \$179 million of the comparable 1969 total of \$200 million.

The pattern of trade in non-merchandise items between subsidiaries in Canada and parents and affiliates abroad by country of control is similar to that shown by all reporting corporations; current payments abroad exceeded current receipts from abroad for the three classes of respondents in all three years covered, with the spread between payments and receipts being very large for the United States-controlled group, and quite small and fairly stable for the respondents controlled in Britain and in third countries. In 1967, corporations with parents in the United States had current payments abroad totalling \$551 million while receipts from abroad amounted to only \$38 million, leaving a deficit of \$513 million and in 1969, payments came to \$620 million and receipts aggregated \$53 million yielding an unfavourable service account deficit of \$567 million.

SUMMARY TABLE 31. — Non-merchandise Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1967 to 1969

In millions of dollars

Year and country of control	Non-merchandise transactions with parents and affiliates in					
	United States		Other foreign countries		All foreign countries	
	Current receipts	Current payments	Current receipts	Current payments	Current receipts	Current payments
1967						
<i>Corporations controlled in:</i>						
United States	18	531	20	20	38	551
Britain	—	4	6	18	6	22
Other foreign countries	—	3	9	30	9	33
All foreign countries	18	538	35	68	53	606
1968						
<i>Corporations controlled in:</i>						
United States	16	629	27	20	43	649
Britain	—	2	6	20	6	23
Other foreign countries	—	3	10	33	10	36
All foreign countries	16	635	43	73	59	708
1969						
<i>Corporations controlled in:</i>						
United States	17	603	36	17	53	620
Britain	—	2	7	19	7	22
Other foreign countries	—	3	12	31	12	34
All foreign countries	17	608	55	67	72	675

NOTE: Totals may not add exactly, due to rounding.

Subsidiaries controlled in Britain reported payments of \$22 million and receipts of \$6 million for a non-merchandise account deficit of \$16 million in 1967 and payments of \$22 million and receipts of \$7 million in 1969 for a deficit of \$14 million. Companies with parents in third countries had payments of \$33 million and receipts of \$9 million in 1967 and payments of \$34 million and receipts of \$12 million, in 1969, resulting in adverse non-merchandise trade balances of \$24 million and \$22 million respectively.

Each of the three groups of respondents classed by country of control had adverse current account balances in transactions with foreign parents and affiliates in each year in the 1967 to 1969 period. These deficits ranged from \$354 million in 1967 to \$176 million in 1969 for the reporting corporations controlled in the United States, from \$38 million in 1967 to \$111 million in 1969 for subsidiaries with British parents, and from \$46 million in 1967 to \$94 million in 1969 for companies controlled in foreign countries other than the United States and Britain. The current account deficits incurred in the inter-company transactions of respondents controlled in the United States

were responsible for most of the overall deficits shown by all respondents in this respect in 1967 and 1968, i.e. for \$354 million of the 1967 total of \$438 million and for \$410 million of the 1968 total of \$608 million. The situation was different in 1969, however, when respondents controlled in Britain and in third countries together accounted for \$205 million of the total deficit of \$381 million, \$29 million more than the adverse balance incurred by reporting corporations controlled in the United States. It should be noted that while the deficits incurred in trading with related companies by respondents controlled in the United States tended to be larger in dollar terms than those for the other groups, in relation to the transactions involved, the differences between receipts and payments were much greater in all years for reporting controlled in foreign countries other than the United States. Thus, receipts were equivalent to nine-tenths or more of payments in all years for the respondents controlled in the United States while payments were one-third greater in 1967 and almost double in 1968 and 1969 the receipts reported by the companies controlled in foreign countries other than the United States.

SUMMARY TABLE 32. — Merchandise Trade Balance, Non-merchandise Trade Balance and Current Account Balance with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1967 to 1969

In millions of dollars

Year and country of control	Balance on merchandise trade			Balance on non-merchandise trade			Current account balance ⁽¹⁾		
	United States	Other foreign countries	All foreign countries	United States	Other foreign countries	All foreign countries	United States	Other foreign countries	All foreign countries
1967									
<i>Corporations controlled in:</i>									
United States	245	-86	159	-513	—	-513	-268	-86	-354
Britain	90	-112	-22	-3	-13	-16	87	-124	-38
Other foreign countries ..	62	-84	-22	-3	-21	-24	59	-105	-46
All foreign countries ..	397	-282	115	-519	-34	-553	-122	-316	-438
1968									
<i>Corporations controlled in:</i>									
United States	199	-2	197	-613	7	-606	-414	5	-410
Britain	81	-150	-69	-2	-14	-16	78	-163	-85
Other foreign countries ..	62	-149	-87	-3	-23	-26	59	-172	-114
All foreign countries ..	342	-301	41	-619	-30	-649	-277	-331	-608
1969									
<i>Corporations controlled in:</i>									
United States	432	-41	391	-586	19	-567	-154	-22	-176
Britain	69	-165	-96	-2	-12	-14	66	-177	-111
Other foreign countries ..	97	-169	-72	-3	-19	-22	94	-188	-94
All foreign countries ..	598	-376	222	-591	-12	-603	7	-388	-381

NOTE: ⁽¹⁾ The qualifications on this concept of 'current account balance' are discussed in the footnote on page 28.

Totals may not add or subtract exactly, due to rounding.

LIST OF MAIN TABLES AND STATISTICAL APPENDICES

Number	Tables	Page
1.	Dividends Declared and Net Profits Earned, All Reporting Corporations, by Industry, Annually, 1964 to 1969	17
2.	Summary of Current International Transactions with the United States, with Other Foreign Countries and with All Foreign Countries, All Reporting Corporations, Annually, 1967 to 1969.	28
3.	Summary of Current International Transactions with Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, Annually, 1967 to 1969	29
4.	Summary of Current International Transactions with Other than Parents and Affiliates in the United States, in Other Foreign Countries and in All Foreign Countries, All Reporting Corporations, Annually, 1967 to 1969	30
5.	Summary of Current International Non-merchandise Transactions, All Reporting Corporations, by Industry Annually, 1967 to 1969	31
6.	Current Savings, All Reporting Corporations, by Industry, Annually, 1967 to 1969	39
7.	Sources and Geographical Origins of Net External Funds, All Reporting Corporations, 1968 and 1969	40
8.	Selected Liabilities Owed to, and Paid-in Capital Held by Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, Year-ends, 1967 to 1969	40

Statistical Appendices

III.	Current Transactions with Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, Annually, 1967 to 1969	61
IV.	Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969	63
V.	Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969	69
VI.	Selected Sources of Funds from Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, by Industry, 1969	75
VII.	Current International Transactions with All Foreign Countries, All Reporting Corporations, by Country of Control, Annually, 1967 to 1969	77
VIII.	Total Sales, Exports to the United States and to All Countries and to Parents and Affiliates in the United States and in All Countries, and Total Purchases, Imports from the United States and from All Countries and from Parents and Affiliates in the United States and in All Countries, All Reporting Corporations, by Industry, Annually, 1965, 1966 and 1968	79

APPENDIX I

Survey Coverage and Technical Notes

The two questionnaires requesting selected information on operations and financing were sent to non-financial corporations in Canada which had assets of more than \$5 million and which had more than 50 per cent of their voting stock owned by one foreign parent. Participation in the survey was on a voluntary basis.

Form 'A', the questionnaire used for the annual return, is reproduced on page 58 and Form 'B', the quarterly questionnaire, is shown on page 60.

The time period covered by the data shown in the report differs slightly for financing activities and for all

other operations. The information in the annual return pertains to the fiscal year and, where this does not correspond to the calendar years, fiscal years ending between May 1 of one year and April 30 of the next are included under the calendar year in which they had their beginnings. The data given on financing refer to the quarter of the year ending December 31 and, hence, are on a calendar-year basis.

The industry classifications used are those developed by Statistics Canada for use in production statistics and adapted by Statistics Canada for presenting corporation financial statistics. Hence, the classification contains inherent shortcomings for the purposes it is used in this

Statistics Canada, Industry classification ⁽¹⁾		Industry group in this report
051-059	Metal mines	Mining and primary metals
071-079	Non-metal mines (except coal mines)	
083 & 087	Quarries and sand pits	
096-099	Services incidental to mining	
291-298	Primary metal industries	
061 & 064	Mineral fuels	Gas and oil
365 & 369	Petroleum and coal products industries	
301-309	Metal fabricating industries (except machinery and transportation equipment industries)	Machinery and metal fabricating
311-318	Machinery industries (except electrical machinery)	
321-329	Transportation equipment industries	Transportation equipment
331-339	Electrical products industries	Electrical products
372-379	Chemical and chemical products industries	Chemical products
101-109	Food and beverage industries	Food and beverage
031	Logging	Pulp and paper
251-259	Wood industries	
261-268	Furniture and fixture industries	
271-274	Paper and allied industries	
151 & 153	Tobacco products industries	Other manufacturing
162 & 165	Rubber and plastic products industries	
172-179	Leather industries	
181-189	Textile industries	
231 & 239	Knitting mills	
243-249	Clothing industries	
286-289	Printing, publishing and allied industries	
391-399	Miscellaneous manufacturing industries	
602-629	Wholesale trade	Wholesale trade
404-421	Construction industry	Other non-manufacturing
501-579	Transportation, Communication and Other Utilities	
631-699	Retail trade	
851-899	Community, Business and Personal Service	

⁽¹⁾Standard Industrial Classification Manual, Revised 1970, DBS. 12-501.

report and the classifications shown should be considered as only rough indicators of the nature of the businesses involved. It should be noted also the respondent remains throughout the 1964 to 1969 period in the classification to which it was assigned in 1964, and that no allowance has been made for subsequent diversifications or other changes in the type of operations.

While the number of respondents participating in this continuing survey has varied from between 322 and 334 over the 1964 to 1969 period, the actual number of companies covered by the returns has remained fairly constant at about 970. The main reasons for the fluctuations in the number of respondents has been the consolidation of two erstwhile returns into one following a merger or take-over, the transfer of the operations of a company or companies previously included in the consolidated return of a respondent to a new reporting principal, and changes in the nationality of the ownership of companies which result in the addition of new respondents or the deletion of old

ones. The latter occurs when a non-resident corporation acquires more than one-half the voting stock of an enterprise in Canada which had been owned or controlled previously by residents of Canada or when ownership or control of a Canadian company, held previously by a non-resident corporation, passes into the hands of Canadian residents.

The changes in the number of respondents participating in the survey does affect the comparability of the data to some extent over the period. In this report, the data for the years 1964, 1965 and 1966 pertain to the same 322 respondents and are comparable from year to year. Similarly, the data for 1967, 1968 and 1969 have been made as comparable as possible despite the decline in the number of respondents from 334 at the beginning of the period to 331 at its end. It is felt, however, that the data for all the years shown are sufficiently consistent and comparable to permit trends to be discerned and overall conclusions drawn.

Number of Respondents by Industry, 1964 to 1969

Industry	Number of respondents			
	1964 to 1966	1967	1968	1969
Mining and primary metals	27	30	30	30
Gas and oil	23	25	25	25
Machinery and metal fabricating	44	46	46	45
Transportation equipment	20	20	20	20
Electrical products	26	26	26	26
Chemical products	33	33	33	33
Food and beverage	36	38	38	37
Pulp and paper	26	26	25	25
Other manufacturing	30	31	31	31
Wholesale trade	21	21	21	21
Other non-manufacturing	36	38	38	38
Total	322	334	333	331

The trading world is divided into three regions for purposes of this report: the United States, other foreign countries and Canada. All transactions are shown as between the reporting corporations and these three regions. In section 4, dealing with country of control, the transactions of respondents with parents in the United States, Britain and in all other foreign countries are shown separately.

The merchandise transactions are broadly defined and refer to business transactions involving sales and purchases of goods. In most cases the returns reported the actual amounts received or paid. In the latter cases, the purchase costs might include the tariffs, sales taxes and transportation charges involved as well as the price of the merchandise itself. This aspect is discussed more fully in the explanation of "current account balance" as used in the report. The questionnaire asked for information on the purchase of capital items as distinct from trade merchandise

but, as many of the returns did not break out this item separately, most tabulations show only total purchases and total imports covering both merchandise and capital equipment.

A few of the reporting corporations are large enough to dominate certain financial aspects of an entire industry group. As a result, some of the data shown for an industry group may actually reflect an extraordinary transaction by one such corporation rather than the transactions of the majority of corporations included in that industry group.

The dollar figures used in the summary tables throughout this report have been rounded from thousands of dollars to the nearest million and the percentages shown are based on these rounded figures. Because of this rounding, totals may not always add or subtract exactly. The value figures in the statistical appendices are in millions of dollars also but, excepting Appendix VIII, are extended to include one decimal figure.



MINISTER OF TRADE AND COMMERCE
LE MINISTRE DU COMMERCE
CANADA

OTTAWA 4

March 31, 1966

LETTER FROM THE HONOURABLE ROBERT H. WINTERS
TO SUBSIDIARIES IN CANADA OF FOREIGN COMPANIES
TABLED IN THE HOUSE OF COMMONS ON MARCH 31, 1966.

The Government has been giving a good deal of attention to the need for the best possible performance from the Canadian economy and to the contribution in this regard of the many Canadian companies which are subsidiaries of foreign parents or are largely foreign-owned. Such companies have responsibilities both to their parent companies and to the country in which they operate.

I have concluded that a statement of what is expected of subsidiary companies as regards their responsibilities to the Canadian community would be of benefit to all concerned.

To fulfil its responsibilities as a good citizen, a company seeks to perfect its performance through the vigorous pursuit of available market opportunities and the efficient use of its resources and, in so doing, contributes to the sound development of the community in which it operates.

In the pursuit of this end, subsidiaries of foreign companies enjoy the backing of their parent companies through the provision of financial, managerial, technological and research assistance, along with other forms of support which might not otherwise be available. At the same time, the fact of foreign control leaves the subsidiaries open to external influences which may not always be consistent with their own best interests and those of the Canadian community at large. Such a company may lack the decision-making authority to pursue policies in line with the opportunities afforded within the growing national community and otherwise to develop the full potential of the Canadian operation.

Subsidiaries of foreign companies occupy a prominent position in the Canadian economy. They have contributed greatly to Canada's development in the past and their role in the future is no less challenging. In a more interdependent world, companies with foreign affiliates have an increasingly important role in the international exchange of goods, services, technology and ideas.

The Canadian Government is desirous that subsidiaries be free to develop their full potential within the Canadian community. In this regard it is most important that subsidiaries should not have restrictive limitations placed upon their sound development by their parent organizations.

This objective can be made more difficult if foreign Governments introduce measures which affect the financial or commercial policy of parent companies or seek to influence them in their relations with their foreign subsidiaries.

In the case of the United States balance of payments programme, the authorities in that country have made quite clear, as indicated in the communique of the recent meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs, that the "United States Government was not requesting United States corporations to induce their Canadian subsidiaries to act in any ways that differed from their normal business practices as regards the repatriation of earnings, purchasing and sales policies, or their other financial and commercial activities". The United States authorities have, in fact, re-emphasized the view that "United States subsidiaries abroad should behave as good citizens of the country where they are located".

I am confident that this also would be the view of the Governments of other countries whose companies have subsidiaries in Canada.

I believe it timely and useful therefore to set forth, particularly for the benefit of subsidiary companies, some basic principles of good corporate citizenship in Canada. I trust that these principles will be regarded as helpful by your company.

SOME GUIDING PRINCIPLES OF GOOD CORPORATE BEHAVIOUR FOR SUBSIDIARIES IN CANADA OF FOREIGN COMPANIES

Desirable objectives include the following:—

- 1) Pursuit of sound growth and full realization of the company's productive potential thereby sharing the national objective of full and effective use of the nation's resources.
- 2) Realization of maximum competitiveness through the most effective use of the company's own resources, recognizing the desirability of progressively achieving appropriate specialization of productive operations within the internationally affiliated group of companies.
- 3) Maximum development of market opportunities in other countries as well as in Canada.
- 4) Where applicable, to extend processing of natural resource products to the extent practicable on an economic basis.
- 5) Pursuit of a pricing policy designed to assure a fair and reasonable return to the company and to Canada for all goods and services sold abroad, including sales to the parent company and other foreign affiliates.

- 6) In matters of procurement, to search out and develop economic sources of supply in Canada.
- 7) To develop as an integral part of the Canadian operation wherever practicable, the technological, research and design capability necessary to enable the company to pursue appropriate product development programmes so as to take full advantage of market opportunities domestically and abroad.
- 8) Retention of a sufficient share of earnings to give appropriate financial support to the growth requirements of the Canadian operation, having in mind a fair return to shareholders on capital invested.
- 9) To work toward a Canadian outlook within management, through purposeful training programmes, promotion of qualified Canadian personnel and inclusion of a major proportion of Canadian citizens on its Board of Directors.
- 10) To have the objective of a financial structure which provides opportunity for equity participation in the Canadian enterprise by the Canadian public.
- 11) Periodically to publish information on the financial position and operations of the company.
- 12) To give appropriate attention and support to recognized national objectives and established Government programmes designed to further Canada's economic development and to encourage and support Canadian institutions directed toward the intellectual, social and cultural advancement of the community.

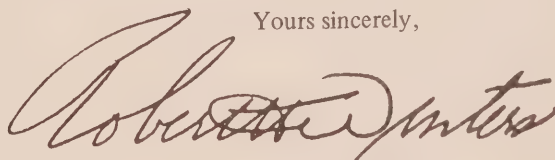
In setting forth the foregoing principles of good corporate behaviour, I recognize that there is already widespread adherence to such principles among subsidiary companies in Canada both in spirit and in deed. However, to the extent that these principles are not already applied, subsidiary companies are urged to work purposefully and constructively toward their application, as circumstances permit.

I would like also to tell you of my intention to seek the co-operation of large and medium sized subsidiary companies in providing periodically information, on a confidential basis, relating to certain aspects of their operations and financing. In this way the Government will gain a clearer insight into the contribution of Canadian subsidiaries to the Canadian economy.

Questionnaire forms providing a full explanation of the information being sought will be circulated within the next few weeks. I hope that prompt and careful attention will be given this request for information.

Thank you for your co-operation.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Robert H. Winters', with a stylized, flowing script.

Robert H. Winters

SELECTED INFORMATION ON COMPANIES IN CANADA
WHOLLY OR LARGELY FOREIGN-OWNED

IMPORTANT: The information requested in this return will be used primarily within the collecting agency to analyze company and industry trends but on occasion may be used on a limited basis, by the Departments of Industry, Trade and Commerce, Finance, and by the Bank of Canada in dealing with matters of concern to them relating to points covered in the guiding principles. Such information will be available only to certain authorized officials in the Bank and the above Departments and they will be under obligation to maintain its confidentiality.

Name of company:

Nature of business:

Mailing address:

Address of principal office in Canada: —If same as above check ☐

Name of parent

Country of incorporation of parent:

INSTRUCTIONS

This report to be filled in for annual periods seeks operational information such as sales, expenses and profits divided between certain types of foreign and domestic transactions and is intended primarily to help evaluate the economic contribution of foreign-owned companies to Canadian development. Data of this kind will contribute to a fuller understanding of the role of subsidiaries of foreign companies in the Canadian economy.

It is hoped that most of the information requested can be provided within your existing accounting framework. If this is not the case please provide your best estimate or aggregate items where necessary.

Specific

- (a) **Sales** should be at the valuation shown in the company accounts. In the case of sales to non-residents include both sales made directly and those made through an agent or broker. Sales to non-residents should include both goods produced or processed in Canada and those items re-exported that had previously been imported in the same form.
- (b) **Royalties** — Include copyrights, patents and all similar items.
- (c) **Scientific research and Development** — Include scientific research, product and process development research, and any salaries and wages incurred for these purposes.
- (d) **Purchase of Merchandise** should be at the valuation shown in the company accounts. If at all possible these should show separately materials and components and goods for re-sale. If this is not possible the two items may be aggregated. Purchases from non-residents should include items purchased through a broker or dealer as well as those purchased directly.

If possible consolidate with accounts of all Canadian subsidiaries and attach list of names of such subsidiaries. In this list indicate those corporations excluded from the Corporation Financial Statements Consolidation and indicate "Reports separately" if such is the case.

If you have any Canadian subsidiaries whose assets exceeded \$1 million at the latest fiscal year end and which are not covered in this report, attach list.

Any queries in regard to these forms should be directed to the Corporation Returns Division, Investment Analysis Branch, Department of Industry, Trade and Commerce, Ottawa. Telephone 995-8923.

Chief, Corporation Returns Division, Telephone 995-7722.

or

Director, Investment Analysis Branch, Telephone 992-3847.

The report should be submitted within 60 days of receipt of this request.

COMPLETED RETURNS SHOULD BE SENT TO: Corporation Returns Division,
Investment Analysis Branch,
Office of Economics,
Department of Industry, Trade and Commerce,
Ottawa, Ontario.

Comment

Please explain the nature of any special transactions or changes in dividend policy, accounting practices or corporate structure that would aid in the interpretation of this report.

Name (print):

Position:

Telephone No.

Signature:

Date:

Cal. yr.		Ctl.	Fis. yr.		Mth.	
11	12	13	14	15	16	17
For fiscal year ending:			(Month)		(Year)	

	FROM OR TO PARENT, SUBSIDIARIES AND AFFILIATES IN		FROM OR TO ALL OTHER NON-RESIDENTS IN		FROM OR TO SOURCES IN CANADA	TOTAL	For Dept. use only
	U.S.A.	Other foreign countries	U.S.A.	Other foreign countries			
(Express all amounts in thousands of Canadian Dollars)							
INCOME:							
1. Sales or principal revenue 01							
2. Dividends 02A							
3. Interest 02B							
4. Royalties 03A							
5. Management and administration fees 03B							
6. Rent on property & equipment. . . 04A							
7. Scientific research and develop- ment 04B							
8. Balance of other income. 05							
9. Total Income 06							
EXPENSES:							
1. Purchase of merchandise:							
(a) Materials & components. 07							
(b) Goods for re-sale 08A							
(c) Total purchases 07 + 08A							
2. Salaries & wages 08B							
3. Interest 09A							
4. Royalties 09B							
5. Management, administrative & directors fees 10A							
6. Rent on property & equipment. . . 10B							
7. Scientific research & development . 11A							
8. Other expenses including balance of cost of sales and inventory adjustment (specify major items) . 11B							
9. Provision for depreciation, depletion & amortization 12A							
10. Provision for income tax 12B							
11. Other provisions or reserves charged to expenses 12C							
12. Total expenses 12D							
13. Net profit 12E							
OTHER ITEMS							
1. Dividends declared 13A							
2. Capital purchases of machinery and equipment 13B							

Edited

Date

A B C D E F

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE
**SELECTED INFORMATION ON COMPANIES IN CANADA
WHOLLY OR LARGELY FOREIGN-OWNED**

IMPORTANT

The information requested in this return will be used primarily within the collecting agency to analyze company and industry trends but on occasion may be used on a limited basis, by the Departments of Industry, Trade and Commerce, Finance, and by the Bank of Canada in dealing with matters of concern to them relating to points covered in the guiding principles. Such information will be available only to certain authorized officials in the Bank and the above Departments and they will be under obligation to maintain its confidentiality.

Name of Company:

Nature of business:

Mailing address:

Address of principal office in Canada — If same as above check ☐

Name of parent:

Country of incorporation of parent:

INSTRUCTIONS

This report to be completed for quarterly periods is designed to provide information on changes in patterns of financing and, in particular, on any significant shift between domestic and foreign sources of financing. In addition to the selected financial data requested in this questionnaire, companies are also asked to submit a copy of the "Quarterly Survey, Financial Statistics" return sent to the Business Finance Division of Statistics Canada, or alternately, to grant permission to obtain a copy of the return from the Business Finance Division. We have been anxious to limit the burden of the provision of information by companies and your co-operation with respect to the release of the Quarterly Survey return, will contribute to this end.

I authorize Statistics Canada to release to the Department of Industry, Trade and Commerce, for the purposes outlined above, copies of the "Quarterly Survey, Corporation Financial Statements" beginning with 4th quarter 1964 and for subsequent quarters until I further advise you in writing.

Name

Position

Date

THIS REPORT IS FOR THE END OF YOUR THREE-MONTH PERIOD*

If one of your
fiscal periods
ends in:

Report
figures
dated:

January, February or March

First Quarter

April, May or June

Second Quarter

July, August or September

Third Quarter

October, November or December

Fourth Quarter

If possible consolidate with accounts of all Canadian subsidiaries and attach list of names of such subsidiaries. In this list indicate those corporations excluded from the Corporation Financial Statements Consolidation and indicate "Reports separately if such is the case".

If you have any Canadian subsidiaries whose assets exceeded \$1 million at the latest fiscal year end and which are not covered in this report, attach list.

Any queries in regard to these forms should be directed to the Corporation Returns Division, Investment Analysis Branch, Department of Industry, Trade and Commerce, Ottawa. Telephone 995-8923.

Chief, Corporation Returns Division, Telephone 995-7722.

or

Director, Investment Analysis Branch, Telephone 992-3847.

The report should be submitted within 30 days of receipt of this request.

COMPLETED RETURNS SHOULD BE SENT TO: Corporation Returns Division,
Investment Analysis Branch,
Office of Economics,
Department of Industry, Trade
and Commerce,
Ottawa, Ontario.

COMMENTS: Explain the nature of any special transactions or changes in dividend policy, accounting practices or corporate structure that would aid in the interpretation of this report.

Name of person responsible for this report: (Print)

Position:

Telephone No.

Signature:

Date:

Control	Year	Qtr.	Month		
11	12	13	14	15	16
For fiscal quarter ending (Month) (Year)					

NOTE

Do not reflect in these balances any transactions with companies which are included in your consolidation.

	Geographical Allocation				
	In U.S.A.	In Other Foreign Countries	In Canada	TOTAL	For Dept. Use Only
1. SELECTED ASSETS	(Express all amounts in thousands of Canadian dollars)				
Investments in and claims on parent, subsidiary or affiliated companies:					
(a) Investments in shares of subsidiaries or affiliated companies (01)	(19-28)	(29-38)	(39-48)	(49-58)	
(b) Other investments in subsidiaries or affiliated companies . . (02)					
(c) Advances to parent, subsidiary or affiliated companies . . (03)					
(d) Other claims or amounts due from parent, subsidiaries or affiliated companies (04)					
2. LIABILITIES:					
(a) Canadian chartered bank loans (including foreign branches and agencies of banks) (05)					
(b) Foreign bank loans (06)					
(c) All debt owing to parent, subsidiary and affiliated companies, including trade and other payables, bonds, debentures, notes, short and long term debt . . (07)					
(d) Debt owing to others:					
(i) Short term loans ² (08)					
(ii) Bonds & debentures (09)					
(iii) Other long term debt ³ (10)					
3. AMOUNT OF PAID-IN CAPITAL:					
(a) Held by parent, subsidiary or affiliated companies (11)					
(b) Held by others (12)					
4. NET DIVIDENDS PAID:⁴					
(a) To parent, subsidiary or affiliated companies (13)					
Amount of 4(a) credited to investment, trade or other account (14)					
(b) To Others (15)					
5. AMOUNT OF TAX WITHHELD ON DIVIDENDS PAID				\$.00	

- ¹ Specify the currency if other than Canadian dollars.
² Paper with an original term to maturity of one year or less. Include Bankers' Acceptances.
³ Long term debt refers to debt having an original term greater than one year and include amounts coming due within one year.
⁴ Net excludes withholding tax (see item 5).

Edited:	Date:	A	B	C	D	E

APPENDIX III

Current Transactions with Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, Annually, 1967 to 1969

In millions of dollars

Year and item	United States	Other foreign countries	All foreign countries	Canada	All countries
<i>1967</i>					
Sales	3,477.4	1,097.7	4,575.1	16,244.1	20,819.2
Other receipts	22.7	43.9	66.6	347.1	413.8
Total income	3,500.0	1,141.7	4,641.7	16,591.3	21,233.0
Purchase of merchandise	3,102.7	730.8	3,833.5	7,632.6	11,466.0
Other current expenses	362.0	38.2	400.2	6,932.4	7,332.6
Total purchases of merchandise and other current expenses	3,464.7	769.1	4,233.7	14,564.9	18,798.6
Profit before provisions for income taxes, depreciation, etc.					2,434.3
Provisions for income taxes					638.5
Provisions for depreciation, etc.					906.1
Total deductions					20,343.4
Net profit					889.5
Balance of income credited to retained earnings					513.6
Dividends paid	278.5	42.3	320.8	55.2	376.0
Capital equipment purchased	204.8	30.0	234.8	883.9	1,118.7
<i>1968</i>					
Sales	4,293.8	1,247.0	5,540.8	17,177.6	22,718.4
Other receipts	21.6	51.7	73.3	376.3	449.6
Total income	4,315.4	1,298.7	5,614.1	17,553.9	23,168.0
Purchase of merchandise	3,995.4	796.8	4,792.2	7,736.5	12,528.7
Other current expenses	456.3	46.7	503.0	7,425.7	7,928.7
Total purchases of merchandise and other current expenses	4,451.7	843.5	5,295.2	15,162.2	20,457.4
Profit before provisions for income taxes, depreciation, etc.					2,710.7
Provisions for income taxes					719.4
Provisions for depreciation, etc.					975.1
Total deductions					22,151.9
Net profit					1,016.2
Balance of income credited to retained earnings					632.5
Dividends paid	290.5	41.2	331.6	52.1	383.7
Capital equipment purchased	157.0	17.3	174.3	800.6	974.9

Note: Totals may not add or subtract exactly, due to rounding.

APPENDIX III

Current Transactions with Residents of the United States, of Other Foreign Countries,
of Canada and of All Countries, All Reporting Corporations, Annually, 1967 to 1969. (Cont'd)

In millions of dollars

Year and item	United States	Other foreign countries	All foreign countries	Canada	All countries
<i>1969</i>					
Sales	5,115.3	1,154.6	6,269.9	18,188.0	24,457.9
Other receipts	25.9	65.2	91.1	463.4	554.5
Total income	5,141.2	1,219.7	6,361.0	18,651.4	25,012.4
Purchase of merchandise	4,627.8	854.8	5,482.6	8,204.0	13,686.6
Other current expenses	458.4	50.5	508.9	8,002.1	8,510.9
Total purchases of merchandise and other current expenses	5,086.2	905.3	5,991.5	16,206.1	22,197.5
Profit before provisions for income taxes, depreciation, etc.					2,814.8
Provisions for income taxes					774.6
Provisions for depreciation, etc.					981.4
Total deductions					23,953.5
Net profit					1,058.8
Balance of income credited to retained earnings					680.8
Dividends paid	278.8	39.6	318.4	59.6	378.0
Capital equipment purchased	168.3	33.0	201.4	880.7	1,082.0

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX IV

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Mining and primary metals industry	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	300.5	109.8	329.2	137.3	298.3	131.2
Merchandise imports	75.5	8.6	72.9	6.3	61.7	12.1
Capital equipment imported	9.3	1.3	4.4	0.5	3.2	2.5
Total imports	84.7	10.0	77.3	6.8	64.8	14.6
Balance on merchandise trade	215.8	99.9	251.9	130.5	233.5	116.6
Other current receipts	0.6	5.4	0.3	3.6	1.4	7.7
Dividends paid	25.2	3.7	30.1	1.3	8.0	0.8
Other current payments	20.7	7.9	20.0	9.8	16.0	7.8
Total current payments	45.9	11.6	50.2	11.1	24.1	8.7
Balance on non-merchandise trade	-45.3	-6.2	-49.9	-7.5	-22.7	-1.0
Total receipts	301.1	115.3	329.5	140.9	299.7	138.9
Total payments	130.6	21.6	127.4	17.9	88.9	23.4
Current account balance	170.5	93.7	202.0	123.0	210.8	115.6

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Gas and oil industry	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	347.1	51.9	436.4	72.0	509.3	60.0
Merchandise imports	115.3	334.9	133.6	385.9	188.5	361.4
Capital equipment imported	14.5	3.6	33.4	1.2	20.4	3.3
Total imports	129.8	338.5	166.9	387.2	208.9	364.7
Balance on merchandise trade	217.3	-286.6	269.5	-315.1	300.4	-304.7
Other current receipts	3.7	15.3	3.6	18.7	2.9	22.8
Dividends paid	77.9	21.7	85.5	21.8	114.0	22.6
Other current payments	62.9	14.3	71.9	16.7	75.7	16.9
Total current payments	140.8	36.0	157.4	38.5	189.7	39.4
Balance on non-merchandise trade	-137.1	-20.7	-153.8	-19.8	-186.8	-16.7
Total receipts	350.8	67.2	440.1	90.7	512.2	82.8
Total payments	270.6	374.5	324.3	425.6	398.6	404.1
Current account balance	80.3	-307.3	115.8	-334.9	113.6	-321.3

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX IV

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

Machinery and metal fabricating industry	In millions of dollars					
	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	118.6	55.9	145.1	51.4	180.9	50.9
Merchandise imports	256.5	45.0	276.8	29.9	322.9	34.3
Capital equipment imported	63.3	19.3	35.3	9.6	59.0	4.3
Total imports	319.8	64.3	312.2	39.5	381.9	38.6
Balance on merchandise trade	-201.2	-8.4	-167.0	11.9	-200.9	12.3
Other current receipts	1.1	1.3	1.5	1.0	0.9	1.3
Dividends paid	12.8	0.8	24.3	0.7	40.7	0.4
Other current payments	32.9	2.0	41.9	1.9	49.5	2.1
Total current payments	45.7	2.8	66.2	2.6	90.1	2.5
Balance on non-merchandise trade	-44.6	-1.5	-64.7	-1.6	-89.3	-1.2
Total receipts	119.7	57.2	146.6	52.4	181.8	52.2
Total payments	365.5	67.1	378.3	42.1	472.0	41.1
Current account balance	-245.8	-9.9	-231.7	10.3	-290.2	11.1

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

Transportation equipment industry	In millions of dollars					
	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	1,633.7	114.5	2,309.9	158.8	2,965.0	173.0
Merchandise imports	1,835.0	63.0	2,624.8	65.8	3,117.4	64.2
Capital equipment imported	66.7	1.1	38.4	0.4	49.4	0.6
Total imports	1,901.7	64.1	2,663.1	66.2	3,166.8	64.9
Balance on merchandise trade	-268.0	50.4	-353.3	92.5	-201.8	108.1
Other current receipts	9.9	11.4	10.8	15.0	8.7	14.8
Dividends paid	19.2	0.3	19.0	—	14.8	—
Other current payments	111.4	1.4	177.7	1.2	145.0	0.2
Total current payments	130.5	1.7	196.6	1.3	159.8	0.3
Balance on non-merchandise trade	-120.7	9.7	-185.8	13.8	-151.1	14.5
Total receipts	1,643.5	125.9	2,320.7	173.8	2,973.6	187.8
Total payments	2,032.2	65.7	2,859.8	67.5	3,326.6	65.1
Current account balance	-388.7	60.1	-539.1	106.3	-352.9	122.6

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX IV

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Electrical products industry	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	98.3	62.4	110.6	74.2	103.3	70.5
Merchandise imports	178.6	33.4	204.3	34.8	183.9	77.6
Capital equipment imported	8.3	0.6	6.6	2.9	7.9	2.8
Total imports	187.0	34.0	210.9	37.6	191.8	80.4
Balance on merchandise trade	-88.6	28.4	-100.3	36.6	-88.5	-10.0
Other current receipts	0.6	0.4	0.6	0.6	0.3	0.9
Dividends paid	18.8	1.1	15.3	2.0	19.7	0.9
Other current payments	16.2	1.3	14.1	2.6	21.8	1.7
Total current payments	35.0	2.4	29.4	4.6	41.5	2.6
Balance on non-merchandise trade	-34.5	-2.1	-28.8	-4.0	-41.2	-1.7
Total receipts	98.9	62.8	111.2	74.8	103.6	71.4
Total payments	222.0	36.4	240.3	42.2	233.3	83.0
Current account balance	-123.1	26.4	-129.1	32.6	-129.7	-11.7

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Chemical products industry	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	76.2	23.0	90.4	28.0	103.8	48.0
Merchandise imports	173.6	32.1	202.0	32.7	216.9	35.9
Capital equipment imported	6.7	0.4	6.0	0.2	4.4	15.2
Total imports	180.3	32.5	207.9	32.8	221.3	51.1
Balance on merchandise trade	-104.1	-9.5	-117.6	-4.8	-117.5	-3.1
Other current receipts	2.0	4.5	0.9	5.6	0.8	5.2
Dividends paid	33.9	9.9	33.5	7.8	27.9	7.4
Other current payments	26.6	3.2	28.3	3.7	29.8	7.2
Total current payments	60.4	13.1	61.8	11.4	57.7	14.6
Balance on non-merchandise trade	-58.4	-8.6	-61.0	-5.8	-56.9	-9.4
Total receipts	78.3	27.4	91.2	33.6	104.6	53.2
Total payments	240.7	45.6	269.7	44.3	279.0	65.7
Current account balance	-162.5	-18.2	-178.5	-10.6	-174.4	-12.5

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX IV

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Food and beverage industry	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	41.9	74.9	36.0	57.8	44.0	52.4
Merchandise imports	130.6	74.3	116.5	79.9	118.1	88.4
Capital equipment imported	4.4	0.8	2.8	0.1	3.5	0.5
Total imports	135.0	75.0	119.4	80.0	121.6	88.9
Balance on merchandise trade	-93.0	-0.1	-83.4	-22.1	-77.5	-36.5
Other current receipts	0.5	1.4	0.5	1.7	0.7	2.5
Dividends paid	30.2	1.2	20.8	1.8	10.9	2.1
Other current payments	15.5	1.3	18.2	2.3	19.3	2.5
Total current payments	45.6	2.5	39.0	4.1	30.3	4.6
Balance on non-merchandise trade	-45.1	-1.1	-38.5	-2.4	-29.6	-2.1
Total receipts	42.5	76.3	36.5	59.5	44.7	54.9
Total payments	180.6	77.5	158.4	84.1	151.8	93.5
Current account balance	-138.2	-1.2	-121.9	-24.5	-107.1	-38.5

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Pulp and paper industry	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	685.5	132.0	683.4	173.2	734.0	202.1
Merchandise imports	24.0	6.6	28.1	11.1	35.3	17.4
Capital equipment imported	6.5	0.6	6.4	0.3	5.1	1.8
Total imports	30.5	7.2	34.4	11.4	40.3	19.2
Balance on merchandise trade	654.9	124.8	648.9	161.8	693.7	182.9
Other current receipts	2.5	1.2	2.1	1.3	5.1	6.3
Dividends paid	29.7	2.3	10.6	3.8	10.7	3.5
Other current payments	41.4	5.5	41.4	7.0	41.9	8.4
Total current payments	71.1	7.8	51.9	10.8	52.6	12.0
Balance on non-merchandise trade	-68.6	-6.6	-49.9	-9.5	-47.5	-5.7
Total receipts	687.9	133.2	685.4	174.5	739.2	208.4
Total payments	101.6	15.0	86.4	22.2	92.9	31.2
Current account balance	586.3	118.2	599.1	152.3	646.2	177.2

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX IV

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Other manufacturing industries	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	42.3	49.9	49.8	56.1	56.1	68.0
Merchandise imports	149.9	32.4	178.6	28.7	187.2	33.4
Capital equipment imported	23.5	2.3	22.3	2.2	13.1	2.0
Total imports	173.4	34.7	200.9	30.9	200.3	35.4
Balance on merchandise trade	-131.0	15.3	-151.1	25.3	-144.2	32.6
Other current receipts	1.4	3.0	1.0	3.4	4.0	3.1
Dividends paid	18.9	0.3	36.6	0.2	17.8	0.1
Other current payments	19.5	0.4	20.8	0.5	23.7	0.5
Total current payments	38.4	0.7	57.4	0.7	41.5	0.7
Balance on non-merchandise trade	-37.0	2.3	-56.4	2.7	-37.5	2.4
Total receipts	43.8	53.0	50.8	59.5	60.1	71.1
Total payments	211.8	35.4	258.3	31.5	241.8	36.1
Current account balance	-168.0	17.5	-207.5	28.0	-181.7	35.1

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Wholesale trade industry	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	120.7	422.4	83.8	437.7	107.2	298.0
Merchandise imports	126.2	80.4	122.3	96.4	142.7	107.8
Capital equipment imported	0.9	—	0.9	—	1.7	—
Total imports	127.1	80.4	123.2	96.4	144.4	107.8
Balance on merchandise trade	-6.5	342.0	-39.4	341.3	-37.2	190.2
Other current receipts	—	—	0.1	0.7	0.1	0.6
Dividends paid	1.9	0.8	6.4	1.0	4.8	0.9
Other current payments	2.6	0.7	2.8	0.9	3.9	1.3
Total current payments	4.6	1.6	9.2	2.0	8.6	2.2
Balance on non-merchandise trade	-4.5	-1.5	-9.1	-1.3	-8.6	-1.6
Total receipts	120.7	422.4	83.8	438.4	107.2	298.6
Total payments	131.7	82.0	132.4	98.4	153.0	110.0
Current account balance	-11.0	340.5	-48.6	340.0	-45.8	188.7

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX IV

Current International Transactions with Residents of the United States and of Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Other non-manufacturing industries	1967		1968		1969	
	United States	Other foreign countries	United States	Other foreign countries	United States	Other foreign countries
Export sales	12.6	0.9	19.3	0.5	13.5	0.5
Merchandise imports	37.5	20.2	35.5	25.4	53.3	22.1
Capital equipment imported	0.7	—	0.6	—	0.8	—
Total imports	38.2	20.2	36.2	25.4	54.1	22.1
Balance on merchandise trade	-25.7	-19.3	-16.9	-24.9	-40.6	-21.6
Other current receipts	0.4	—	0.3	—	1.1	—
Dividends paid	10.1	—	8.4	0.7	9.4	0.7
Other current payments	12.3	0.3	19.2	0.2	31.8	1.9
Total current payments	22.4	0.3	27.6	0.9	41.2	2.6
Balance on non-merchandise trade	-22.1	-0.3	-27.2	-0.9	-40.2	-2.6
Total receipts	12.9	0.9	19.6	0.5	14.5	0.5
Total payments	60.6	20.5	63.7	26.3	95.4	24.8
Current account balance	-47.7	-19.5	-44.1	-25.8	-80.8	-24.3

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX V

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Mining and primary metals industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	238.8	265.8	247.1	37.1	44.0	24.4
Merchandise imports	54.6	54.2	53.5	6.2	4.2	6.0
Capital equipment imported	0.8	0.4	0.7	0.2	—	1.3
Total imports	55.4	54.6	54.1	6.3	4.2	7.2
Balance on merchandise trade	183.4	211.2	193.0	30.8	39.8	17.2
Other current receipts	0.5	0.3	0.4	5.1	3.4	7.5
Dividends paid	25.1	30.0	7.9	2.9	0.4	0.8
Other current payments	10.1	9.0	6.9	7.3	8.4	7.0
Total current payments	35.3	39.0	14.7	10.1	8.8	7.8
Balance on non-merchandise trade	-34.7	-38.8	-14.3	-5.0	-5.4	-0.3
Total receipts	239.3	266.0	247.6	42.3	47.4	31.9
Total payments	90.7	93.6	68.9	16.4	13.0	15.0
Current account balance	148.6	172.5	178.7	25.8	34.4	16.9

NOTE: Totals may not add or subtract exactly, due to rounding

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Gas and oil industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	236.4	287.6	355.2	30.1	41.6	28.0
Merchandise imports	93.0	102.6	152.7	314.3	371.6	350.2
Capital equipment imported	0.1	0.4	0.1	—	—	—
Total imports	93.1	103.0	152.8	314.3	371.6	350.2
Balance on merchandise trade	143.2	184.6	202.5	-284.1	-330.0	-322.2
Other current receipts	3.3	2.6	1.5	13.3	15.7	20.5
Dividends paid	74.2	81.4	109.0	19.7	18.4	19.1
Other current payments	38.1	44.8	39.3	11.8	16.1	11.7
Total current payments	112.3	126.2	148.3	31.6	34.5	30.7
Balance on non-merchandise trade	-108.9	-123.5	-146.8	-18.3	-18.8	-10.3
Total receipts	239.7	290.2	356.7	43.4	57.3	48.4
Total payments	205.4	229.1	301.1	345.8	406.1	380.9
Current account balance	34.3	61.1	55.7	-302.4	-348.9	-332.5

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX V

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Machinery and metal fabricating industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	114.8	141.1	175.2	42.6	38.2	34.5
Merchandise imports	204.0	212.5	250.1	36.5	22.1	27.3
Capital equipment imported	57.1	31.7	55.4	19.1	8.6	3.7
Total imports	261.1	244.2	305.5	55.6	30.7	31.0
Balance on merchandise trade	-146.3	-103.2	-130.3	-13.1	7.5	3.6
Other current receipts	0.9	1.4	0.8	1.0	0.9	1.3
Dividends paid	12.8	24.3	40.7	0.7	0.6	0.4
Other current payments	30.4	38.6	46.2	0.6	0.6	0.8
Total current payments	43.2	62.9	86.9	1.3	1.2	1.1
Balance on non-merchandise trade	-42.2	-61.5	-86.1	-0.3	-0.3	0.2
Total receipts	115.8	142.4	176.0	43.6	39.1	35.8
Total payments	304.3	307.1	392.4	56.9	31.9	32.1
Current account balance	-188.5	-164.7	-216.4	-13.4	7.2	3.7

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Transportation equipment industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	1,416.9	2,060.6	2,736.7	53.7	59.4	53.3
Merchandise imports	1,318.1	2,060.6	2,471.5	48.2	59.2	56.1
Capital equipment imported	29.9	22.8	17.8	0.6	0.4	0.6
Total imports	1,348.0	2,083.4	2,489.3	48.8	59.7	56.7
Balance on merchandise trade	69.0	-22.8	247.3	5.0	-0.3	-3.5
Other current receipts	8.1	7.2	8.2	8.7	13.9	11.8
Dividends paid	18.0	17.7	12.6	0.3	-	-
Other current payments	101.7	160.3	126.4	0.5	0.2	-
Total current payments	119.7	178.1	139.0	0.8	0.2	-
Balance on non-merchandise trade	-111.6	-170.8	-130.8	8.0	13.7	11.8
Total receipts	1,425.0	2,067.8	2,744.9	62.5	73.2	65.0
Total payments	1,467.7	2,261.4	2,628.4	49.5	59.9	56.6
Current account balance	-42.7	-193.6	116.5	13.0	13.3	8.4

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX V

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Electrical products industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	58.6	59.3	56.8	13.4	11.1	11.0
Merchandise imports	122.6	128.0	127.4	29.1	26.5	53.2
Capital equipment imported	3.3	3.8	6.0	0.2	1.2	2.2
Total imports	126.0	131.7	133.5	29.3	27.7	55.4
Balance on merchandise trade	-67.4	-72.4	-76.7	-15.9	-16.6	-44.5
Other current receipts	0.5	0.4	0.1	0.1	—	—
Dividends paid	18.4	14.8	19.3	1.1	2.0	0.9
Other current payments	13.1	13.0	17.2	1.2	1.5	1.5
Total current payments	31.5	27.8	36.5	2.2	3.5	2.4
Balance on non-merchandise trade	-31.0	-27.5	-36.4	-2.2	-3.4	-2.4
Total receipts	59.1	59.7	56.9	13.5	11.2	11.0
Total payments	157.5	159.5	170.0	31.5	31.1	57.9
Current account balance	-98.4	-99.9	-113.1	-18.0	-20.0	-46.9

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Chemical products industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	42.9	44.3	45.9	15.3	13.9	33.4
Merchandise imports	111.2	128.2	137.6	15.2	15.8	18.3
Capital equipment imported	1.1	0.5	0.6	0.1	—	15.0
Total imports	112.3	128.7	138.2	15.3	15.8	33.4
Balance on merchandise trade	-69.4	-84.4	-92.3	-0.1	-1.9	—
Other current receipts	1.8	0.6	0.2	2.3	3.4	3.3
Dividends paid	33.3	33.4	27.8	9.9	7.8	7.4
Other current payments	16.0	16.2	16.4	2.6	2.8	2.8
Total current payments	49.3	49.6	44.2	12.5	10.5	10.2
Balance on non-merchandise trade	-47.4	-48.9	-44.0	-10.2	-7.2	-6.9
Total receipts	44.8	44.9	46.1	17.5	17.3	36.7
Total payments	161.5	178.3	182.4	27.8	26.4	43.6
Current account balance	-116.8	-133.4	-136.4	-10.3	-9.1	-6.9

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX V

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Food and beverage industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	27.4	25.8	31.0	13.6	7.0	6.9
Merchandise imports	62.5	58.5	57.4	20.9	29.7	38.2
Capital equipment imported	0.4	1.1	0.7	0.3	—	0.1
Total imports	63.0	59.7	58.0	21.1	29.7	38.4
Balance on merchandise trade	-35.5	-33.9	-27.0	-7.5	-22.7	-31.5
Other current receipts	0.1	0.5	0.2	1.2	1.7	2.3
Dividends paid	30.1	20.7	10.9	1.2	1.8	2.1
Other current payments	12.5	14.0	14.2	1.0	1.6	1.7
Total current payments	42.6	34.8	25.0	2.2	3.4	3.8
Balance on non-merchandise trade	-42.5	-34.3	-24.8	-1.0	-1.7	-1.6
Total receipts	27.6	26.3	31.2	14.8	8.7	9.2
Total payments	105.6	94.5	83.1	23.2	33.1	42.2
Current account balance	-78.0	-68.2	-51.8	-8.5	-24.4	-33.0

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Pulp and paper industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	418.2	412.1	432.8	26.8	35.3	41.6
Merchandise imports	8.3	6.4	7.7	6.1	4.8	5.3
Capital equipment imported	0.1	0.4	0.5	—	—	—
Total imports	8.5	6.8	8.3	6.2	4.8	5.3
Balance on merchandise trade	409.8	405.3	424.5	20.6	30.5	36.3
Other current receipts	2.2	1.8	4.8	1.2	1.3	6.2
Dividends paid	29.1	10.1	10.7	2.0	3.6	3.4
Other current payments	17.5	18.7	18.1	4.1	4.8	4.4
Total current payments	46.5	28.8	28.8	6.1	8.4	7.8
Balance on non-merchandise trade	-44.3	-27.0	-24.0	-4.9	-7.1	-1.6
Total receipts	420.4	413.9	437.6	27.9	36.6	47.8
Total payments	55.0	35.6	37.1	12.2	13.2	13.1
Current account balance	365.4	378.3	400.5	15.7	23.4	34.7

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX V

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Other manufacturing industries	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	27.4	30.0	27.8	15.1	22.5	28.6
Merchandise imports	109.9	136.7	135.7	17.2	19.1	25.5
Capital equipment imported	2.7	3.9	4.1	0.4	0.4	0.9
Total imports	112.5	140.6	139.8	17.6	19.5	26.4
Balance on merchandise trade	-85.1	-110.5	-112.0	-2.5	3.0	2.2
Other current receipts	0.6	1.0	0.2	2.0	2.1	1.7
Dividends paid	18.5	36.1	17.6	0.3	0.2	—
Other current payments	17.4	19.0	21.2	0.2	0.3	0.4
Total current payments	35.9	55.1	38.7	0.5	0.4	0.5
Balance on non-merchandise trade	-35.3	-54.2	-38.5	1.5	1.6	1.2
Total receipts	28.0	31.0	28.0	17.2	24.6	30.3
Total payments	148.4	195.7	178.5	18.1	19.9	26.8
Current account balance	-120.4	-164.7	-150.5	-0.9	4.7	3.5

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Wholesale trade industry	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	115.3	75.0	96.4	50.9	76.1	57.2
Merchandise imports	112.1	108.6	122.8	66.6	86.8	90.4
Capital equipment imported	0.9	0.9	1.6	—	—	—
Total imports	113.1	109.5	124.4	66.6	86.8	90.4
Balance on merchandise trade	2.2	-34.5	-27.9	-15.8	-10.7	-33.3
Other current receipts	—	0.1	0.1	—	0.7	0.6
Dividends paid	1.9	6.4	4.6	0.8	0.9	0.8
Other current payments	2.5	2.8	3.4	0.3	0.3	0.3
Total current payments	4.4	9.2	7.9	1.2	1.3	1.1
Balance on non-merchandise trade	-4.4	-9.1	-7.9	-1.1	-0.6	-0.5
Total receipts	115.3	75.1	96.5	50.9	76.7	57.8
Total payments	117.5	118.7	132.3	67.8	88.0	91.6
Current account balance	-2.2	-43.6	-35.8	-16.9	-11.3	-33.8

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX V

Current International Transactions with Parents and Affiliates in the United States and in Other Foreign Countries, All Reporting Corporations, by Industry, Annually, 1967 to 1969

In millions of dollars

Other non-manufacturing industries	In the United States			In other foreign countries		
	1967	1968	1969	1967	1968	1969
Export sales	9.8	11.7	10.7	0.2	0.3	—
Merchandise imports	16.7	9.3	13.8	—	—	—
Capital equipment imported	0.1	0.3	0.1	—	—	—
Total imports	16.7	9.7	13.9	—	—	—
Balance on merchandise trade	−6.9	2.1	3.3	0.2	0.3	—
Other current receipts	0.3	0.2	0.2	—	—	—
Dividends paid	10.0	8.1	9.2	—	0.7	0.7
Other current payments	7.0	15.3	28.3	0.2	0.2	1.2
Total current payments	17.0	23.4	37.5	0.2	0.9	1.9
Balance on non-merchandise trade	−16.7	−23.2	−37.3	−0.2	−0.9	−1.9
Total receipts	10.1	12.0	10.9	0.2	0.3	—
Total payments	33.8	33.1	51.5	0.2	0.9	1.9
Current account balance	−23.6	−21.1	−40.5	—	−0.5	−1.9

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX VI

Selected Sources of Funds from Residents of the United States, of Other Foreign Countries,
of Canada and of All Countries, All Reporting Corporations, by Industry, 1969

In millions of dollars

Item	Bank loans	Loans and advances by parents and affiliates	Short term loans	Bonds and debentures	Other long term debt	Paid-in capital by parents and affiliates	Paid-in capital by others	Total
<i>United States</i>								
Mining and primary metals	-21.4	2.5	—	-1.7	-26.7	4.9	—	-42.4
Gas and oil	-8.0	-142.3	—	126.1	1.2	117.6	12.8	107.4
Machinery and metal fabricating . . .	4.3	5.0	—	—	-13.0	24.2	—	20.5
Transportation equipment	—	-44.7	—	4.0	—	44.1	—	3.3
Electrical products	—	15.6	—	-2.7	-0.3	1.5	-0.5	13.6
Chemical products	-2.0	-3.0	—	1.1	4.9	0.3	20.5	21.8
Food and beverage	1.3	-3.7	—	-2.9	-0.2	0.3	—	-5.2
Pulp and paper	—	-9.1	0.4	-8.2	0.3	11.1	-0.4	-5.9
Other manufacturing	—	-4.9	—	—	-4.8	6.5	-0.2	-3.5
Wholesale trade	-0.7	-13.5	—	—	-1.4	3.9	—	-11.7
Other non-manufacturing	-1.5	-12.2	—	-0.7	6.4	-0.9	—	-8.9
Total	-28.0	-210.5	0.4	115.0	-33.4	213.5	32.1	89.0
<i>Other foreign countries</i>								
Mining and primary metals	—	-30.7	—	—	—	12.5	0.3	-18.0
Gas and oil	0.9	-85.9	—	—	9.5	30.0	-0.6	-46.1
Machinery and metal fabricating . . .	—	16.2	10.0	—	—	-4.7	6.9	28.4
Transportation equipment	—	2.0	—	—	—	-15.9	-1.0	-14.9
Electrical products	-0.6	1.8	—	—	—	-0.4	—	0.9
Chemical products	—	-3.6	—	—	—	5.8	—	2.1
Food and beverage	—	4.2	—	—	—	0.4	—	4.6
Pulp and paper	0.5	8.7	—	—	—	12.8	—	22.0
Other manufacturing	2.0	-0.3	—	—	—	—	—	1.7
Wholesale trade	4.3	4.1	—	—	—	—	—	8.4
Other non-manufacturing	—	1.9	—	—	—	0.1	-0.1	1.8
Total	7.0	-81.5	10.0	—	9.5	40.5	5.4	-9.1
<i>Canada</i>								
Mining and primary metals	16.1	8.9	-3.6	-8.6	-1.5	—	—	11.2
Gas and oil	-33.7	1.5	48.3	41.0	6.1	—	-2.3	60.9
Machinery and metal fabricating . . .	14.6	-11.1	9.4	-1.2	-1.5	-0.5	0.8	10.5
Transportation equipment	53.7	-6.6	-9.1	—	-2.1	—	-11.0	24.9
Electrical products	20.9	1.9	22.3	-6.2	-3.4	—	0.2	35.7
Chemical products	4.0	7.5	-2.2	-4.0	-6.3	—	0.1	-0.8
Food and beverage	28.1	-2.9	-17.4	1.6	0.6	—	0.1	10.0
Pulp and paper	30.2	-1.3	5.7	-3.7	2.3	—	-5.3	28.0
Other manufacturing	21.3	3.1	-2.2	-4.6	-3.1	—	0.1	14.5
Wholesale trade	10.1	-0.5	26.6	—	-3.8	—	—	32.4
Other non-manufacturing	38.8	4.9	3.0	-1.6	0.7	—	—	45.8
Total	204.1	5.4	80.8	12.4	-12.0	-0.5	-17.2	273.0

APPENDIX VI

Selected Sources of Funds from Residents of the United States, of Other Foreign Countries, of Canada and of All Countries, All Reporting Corporations, by Industry, 1969 (cont'd)

In millions of dollars

Item	Bank loans	Loans and advances by parents and affiliates	Short term loans	Bonds and debentures	Other long term debt	Paid-in capital by parents and affiliates	Paid-in capital by others	Total
<i>All countries</i>								
Mining and primary metals	-5.4	-19.3	-3.6	-10.4	-28.2	17.4	0.3	-49.2
Gas and oil	-40.9	-226.7	48.3	167.1	16.8	147.6	10.0	122.3
Machinery and metal fabricating . . .	18.9	10.2	19.4	-1.2	-14.5	19.0	7.7	59.4
Transportation equipment	53.7	-49.4	-9.1	3.9	-2.1	28.2	-12.0	13.3
Electrical products	20.4	19.3	22.2	-8.9	-3.6	1.2	-0.4	50.1
Chemical products	1.9	0.9	-2.2	-2.9	-1.4	6.1	20.5	23.0
Food and beverage	29.4	-2.5	-17.4	-1.3	0.3	0.7	0.1	9.3
Pulp and paper	30.7	-1.6	6.1	-11.9	2.7	23.9	-5.7	44.1
Other manufacturing	23.3	-2.1	-2.2	-4.6	-8.0	6.5	-0.1	12.7
Wholesale trade	13.8	-9.9	26.6	-	-5.2	3.9	-	29.1
Other non-manufacturing	37.3	-5.5	3.0	-2.4	7.2	-0.8	-0.2	38.7
Total	183.0	-286.6	91.2	127.4	-36.0	253.6	20.3	352.8

NOTE: Figures may not add or subtract exactly, due to rounding.

APPENDIX VII

Current International Transactions with All Foreign Countries by Reporting Corporations Controlled in the United States, Annually, 1967 to 1969

In millions of dollars

Transactions with all foreign countries	1967	1968	1969
Export sales	3,986.3	4,919.7	5,568.2
Merchandise imports	3,386.6	4,262.7	4,873.7
Capital equipment imported	221.6	159.4	169.4
Total imports	3,608.3	4,422.2	5,043.1
Balance on merchandise trade	378.0	497.5	525.0
Other current receipts	48.7	54.7	70.0
Dividends paid	279.9	291.8	278.5
Other current payments	359.2	452.6	448.5
Total current payments	639.1	744.4	727.0
Balance on non-merchandise trade	-590.4	-689.8	-657.0
Total receipts	4,035.0	4,974.4	5,638.1
Total payments	4,247.4	5,116.6	5,770.2
Current account balance	-212.4	-142.2	-132.0

NOTE: Totals may not add or subtract exactly, due to rounding.

Current International Transactions with All Foreign Countries by Reporting Corporations Controlled in Britain, Annually, 1967 to 1969

In millions of dollars

Transactions with all foreign countries	1967	1968	1969
Export sales	414.9	360.0	422.6
Merchandise imports	306.2	320.7	370.2
Capital equipment imported	10.3	5.4	23.5
Total imports	316.5	326.1	393.6
Balance on merchandise trade	98.5	34.0	29.0
Other current receipts	8.3	8.3	9.2
Dividends paid	14.9	14.3	14.9
Other current payments	25.7	30.2	33.8
Total current payments	40.6	44.5	48.6
Balance on non-merchandise trade	-32.3	-36.2	-39.4
Total receipts	423.3	368.3	431.8
Total payments	357.0	370.6	442.3
Current account balance	66.2	-2.2	-10.4

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX VII

Current International Transactions with All Foreign Countries by Reporting Corporations Controlled in Foreign Countries Other than the United States and Britain, Annually, 1967 to 1969

In millions of dollars

Transactions with all foreign countries	1967	1968	1969
Export sales	173.8	261.1	279.1
Merchandise imports	140.6	208.7	238.7
Capital equipment imported	2.9	9.5	8.5
Total imports	143.5	218.2	247.2
Balance on merchandise trade	30.3	42.9	32.0
Other current receipts	9.6	10.3	11.9
Dividends paid	26.0	25.5	25.1
Other current payments	15.3	20.2	26.6
Total current payments	41.3	45.7	51.7
Balance on non-merchandise trade	-31.7	-35.4	-39.8
Total receipts	183.5	271.4	291.0
Total payments	184.8	263.9	298.8
Current account balance	-1.4	7.5	-7.8

NOTE: Totals may not add or subtract exactly, due to rounding.

APPENDIX VIII

Total Sales, Exports to the United States and to All Countries and to Parents and Affiliates in the United States and in All Countries, and Total Purchases, Imports from the United States and from All Countries and from Parents and Affiliates in the United States and in All Countries, All Reporting Corporations, by Industry, Annually, 1965, 1966 and 1968

In millions of dollars

Industry	Total sales	Export sales				Total purchases	Imports			
		Total		To parents, etc.			Total	From parents, etc.		
		To United States	To all countries	In United States	In all countries			From United States	From all countries	In United States
1965										
Mining and primary metals	805	244	367	201	253	351	77	88	60	71
Gas and oil	3,021	259	288	162	177	1,653	99	411	80	363
Machinery and metal fabricating	1,229	62	97	59	87	716	256	285	203	225
Transportation equipment	3,303	390	501	230	275	2,081	1,033	1,082	692	732
Electrical products	1,079	45	101	36	55	581	145	176	101	128
Chemical products	1,217	64	101	22	42	680	191	213	105	117
Food and beverage	1,500	32	134	20	48	925	123	201	57	69
Pulp and paper	1,249	664	792	341	374	534	32	40	7	13
Other manufacturing	1,080	28	85	19	33	587	171	197	111	120
Wholesale trade	957	97	530	92	138	878	144	237	116	183
Other non-manufacturing	1,534	13	15	13	14	1,022	40	62	14	14
Total	16,974	1,898	3,011	1,195	1,496	10,008	2,311	2,992	1,546	2,035
1966										
Mining and primary metals	873	263	389	217	268	407	75	88	60	70
Gas and oil	3,236	303	332	189	205	1,843	121	429	90	369
Machinery and metal fabricating	1,406	93	143	90	130	853	322	372	254	292
Transportation equipment	3,863	963	1,061	836	876	2,651	1,386	1,446	987	1,031
Electrical products	1,248	77	123	45	61	695	189	214	131	152
Chemical products	1,337	98	125	45	63	728	178	203	101	114
Food and beverage	1,661	43	138	23	38	1,044	124	204	55	69
Pulp and paper	1,348	706	833	408	439	624	30	41	8	15
Other manufacturing	1,177	36	90	23	36	620	156	183	109	119
Wholesale trade	1,082	127	637	121	166	978	152	229	126	173
Other non-manufacturing	1,853	9	10	9	10	1,242	44	72	17	18
Total	19,084	2,718	3,881	2,006	2,292	11,685	2,778	3,481	1,938	2,422

APPENDIX VIII (continued)

Total Sales, Exports to the United States and to All Countries and to Parents and Affiliates in the United States and in All Countries, and Total Purchases, Imports from the United States and from All Countries and from Parents and Affiliates in the United States and in All Countries, All Reporting Corporations, by Industry, Annually, 1965, 1966 and 1968

In millions of dollars

Industry	Total sales	Export sales				Total purchases	Imports			
		Total		To parents, etc.			Total		From parents, etc.	
		To United States	To all countries	In United States	In all countries		From United States	From all countries	In United States	In all countries
1968										
Mining and primary metals	969	329	466	266	310	387	77	84	55	59
Gas and oil	3,892	436	508	288	329	2,264	167	554	103	475
Machinery and metal fabricating	1,572	145	197	141	179	767	312	352	244	275
Transportation equipment	5,613	2,310	2,469	2,061	2,120	3,896	2,663	2,729	2,083	2,143
Electrical products	1,385	111	185	59	70	762	211	248	132	159
Chemical products	1,473	90	118	44	58	793	208	241	129	144
Food and beverage	1,783	36	94	26	33	1,027	120	199	60	89
Pulp and paper	1,502	684	857	412	447	654	34	46	7	12
Other manufacturing	1,428	50	106	30	53	687	201	232	140	160
Wholesale trade	1,053	84	521	75	151	898	123	220	109	196
Other non-manufacturing	2,048	19	20	12	12	1,369	36	61	10	10
Total	22,718	4,294	5,541	3,114	3,763	13,504	4,152	4,966	3,072	3,722

NOTE: Totals may not add exactly, due to rounding.

